



Bayantel's franchise will expire on 09 August 2021. The extension thereof will allow Bayantel 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 Bayantel's contribution in nation-building. Over the years, Bayantel has been rolling-out its fixed line, wireless broadband and fixed line broadband and telecommunication services throughout the country. Bayantel proved its financial and technical capability to operate and maintain a vast telecommunications network.

Extending Bayantel's franchise will also ensure the uninterrupted and improved delivery of its services to the Filipino people and will allow Bayantel 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 Bayantel's franchise be extended.

The immediate passage of the proposed law is earnestly sought.


JOSE "PINGPING" I. TEJADA
3rd District, Province of Cotabato

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

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:

1 Section 1. Section Four of Republic Act No. 3259, as amended by Republic Act No.
2 4905, which was further amended by Republic Act No. 7633 is hereby furthermore
3 amended to read as follows:
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5 "Sec. 4. The franchise of the grantee, as herein amended, is hereby
6 extended by twenty-five (25) years from the expiration thereof on 9
7 August [1996] **2021**."
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10 Section 2. Section Five of Republic Act No. 7633 is hereby amended to read as follows:
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13 "Sec. 5. **SUBJECT TO THE REQUIREMENTS OF SECURITIES AND**
14 **EXCHANGE COMMISSION AND THE STOCK EXCHANGE CONCERNED**
15 [In compliance which the constitutional mandate to democratize
16 ownership of public utilities], the herein grantee shall make public
17 utilities offering to the stock exchanges at least thirty percent (30%) of
18 its **AUTHORIZED CAPITAL** [common] stock **IN ANY SECURITIES**

19 **EXCHANGE IN THE PHILIPPINES** within a period of three (3) years from
20 the date of effectivity of this Act [: provided, that no single person or
21 entity shall be allowed to own more than five percent (5%) of the stock]
22 **UNLESS THE GRANTEE IS WHOLLY OWNED BY A PUBLICLY LISTED**
23 **COMPANY WITH AT LEAST THIRTY PERCENTUM (30%) OF WHOSE**
24 **AUTHORIZED CAPITAL STOCK IS PUBLICLY OWNED."**
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27 Section 3. Section Sixteen of Republic Act No. 7633 is hereby amended to read as
28 follows:
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31 "SECTION 16. The grantee shall not lease, transfer, grant the usufruct
32 of, sell or assign this franchise, or the rights and privileges acquired
33 thereunder to any person, firm, company, partnership, corporation or
34 other commercial or legal entity, nor merge with any other person,
35 firm, company, partnership or corporation organized for the same
36 purpose **WITHOUT THE PRIOR APPROVAL OF THE CONGRESS OF THE**
37 **PHILIPPINES**, except (A) where the grantee is the surviving corporation;
38 **(B) WHEN THE TRANSFER IS DONE THROUGH A STOCK EXCHANGE**
39 **TRANSACTION; (C) WHEN THE TRANSFER IS DONE FOR PURPOSES OF**
40 **QUALIFYING PERSONS FOR ELECTION TO THE BOARD; (D) WHEN THE**
41 **TRANSFeree IS A CORPORATION THAT IS CONTROLLED BY THE SAME**
42 **STOCKHOLDERS AS THAT OF THE GRANTEE; (E) WHEN THE**
43 **TRANSFeree IS A PERSON, FIRM, COMPANY, CORPORATION OR**
44 **ENTITY WITH A VALID AND EXISTING LEGISLATIVE FRANCHISE FOR**
45 **TELECOMMUNICATIONS** [without the prior approval of the Congress
46 of the Philippines.]; **PROVIDED, FURTHER, THAT ANY SUCH TRANSFER,**
47 **SALE OR ISSUANCE IS IN ACCORDANCE WITH ANY APPLICABLE**
48 **CONSTITUTIONAL PROVISION.**
49

50 Any corporation to which this franchise may be sold, transferred or
51 assigned shall be subject to [the corporation laws of the Philippines
52 now existing or hereafter enacted, and any person, firm, company,
53 partnership, corporation or other commercial or legal entity to which
54 this franchise is sold, transferred or assigned shall be subject to] all
55 conditions, terms, restrictions and limitations of this **ACT** [franchise as
56 fully and completely and to the same extent as if the franchise had
57 been originally granted to the said person, firm, company, partnership,
58 corporation or other commercial or legal entity]."
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65 Section 4. Section Eighteen of Republic Act No. 7633 is hereby amended to read as
66 follows:
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69 "SECTION 18. [Within sixty (60) days after effectivity of this Act, the
70 grantee shall file with the National Telecommunications Commission
71 its written acceptance of this Act and all the terms and conditions
72 hereof and, in default of such acceptance, within the time so limited,
73 this Act shall become null and void.] **THE GRANTEE SHALL IMPROVE
74 AND UPGRADE ITS EQUIPMENT, FACILITIES, AND SERVICES IN ORDER
75 TO ENSURE EFFECTIVE COMPLIANCE WITH THE OBJECTIVES OF
76 REPUBLIC ACT NO. 10639 OR THE 'FREE MOBILE DISASTER ALERTS
77 ACT' "**
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80 Section 5. The present Sections 20, 21 and 22 of Republic Act No. 7633 are hereby
81 renumbered as Sections 23, 24 and 25 respectively.
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84 Section 6. The new Section 20 shall now read as follows:
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86 **"SEC. 20. CONTRACT WITH PRIVATE ENTITIES. THE GRANTEE IS**
87 **AUTHORIZED TO CONTRACT THE INSTALLATION AND OPERATIONS OF**
88 **THE TELECOMMUNICATIONS SYSTEM WHICH IS THE SUBJECT OF THIS**
89 **GRANT WITH ENTITIES WITH EXPERTISE IN THE FIELD OF**
90 **TELECOMMUNICATIONS UNDER SUCH TERMS AND CONDITIONS AS**
91 **MAY BE APPROVED BY THE NATIONAL TELECOMMUNICATIONS**
92 **COMMISSION."**
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94 Section 7. The new Section 21 shall now read as follows:
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96 **"SECTION 21. REPORTORIAL REQUIREMENTS. – THE GRANTEE SHALL**
97 **SUBMIT AN ANNUAL REPORT TO THE CONGRESS OF THE PHILIPPINES,**
98 **THROUGH THE COMMITTEE ON LEGISLATIVE FRANCHISES OF THE**
99 **HOUSE OF REPRESENTATIVES AND THE COMMITTEE ON PUBLIC**
100 **SERVICES OF THE SENATE, ON ITS COMPLIANCE WITH THE TERMS**
101 **AND CONDITIONS OF THE FRANCHISE AND ON ITS OPERATIONS ON**
102 **OR BEFORE APRIL 30 OF EVERY YEAR DURING THE TERM OF ITS**
103 **FRANCHISE. THE REPORTORIAL COMPLIANCE CERTIFICATE ISSUED BY**
104 **CONGRESS SHALL BE REQUIRED BEFORE ANY APPLICATION FOR**
105 **PERMIT OR CERTIFICATE IS ACCEPTED BY THE NTC."**
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112 Section 8. The new Section 22 shall now read as follows:
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114 **"SECTION 22. EQUALITY CLAUSE. – ANY ADVANTAGE, FAVOR,**
115 **PRIVILEGE, EXEMPTION, OR IMMUNITY GRANTED UNDER EXISTING**
116 **FRANCHISE, OR WHICH MAY HEREAFTER BE GRANTED UPON PRIOR**
117 **REVIEW AND APPROVAL OF CONGRESS SHALL BECOME PART OF THIS**
118 **FRANCHISE AND SHALL BE ACCORDED IMMEDIATELY AND AND**
119 **UNCONDITIONALLY TO THE HEREIN GRANTEE: PROVIDED, THAT THE**
120 **FOREGOING SHALL NEITHER APPLY NOR AFFECT PROVISIONS OF**
121 **TELECOMMUNICATIONS FRANCHISES CONCERNING TERRITORY**
122 **COVERED BY THE FRANCHISE, THE LIFESPAN OF THE FRANCHISE OR**
123 **TYPE OF SERVICE AUTHORIZED BY THE FRANCHISE."**
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125 Section 9. All the other provisions, terms and conditions contained in Republic Act No.
126 3259 and Republic Act No. 7633 which are not inconsistent with the provisions of this
127 act and remain unrepealed shall continue to be in full force and effect.
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129 Section 10. This Act shall take effect fifteen (15) days after its publication in the Official
130 Gazette or in a newspaper of general circulation in the Philippines.
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133 Approved: