

RLA BILL NO. 89

Republic of the Philippines
REGIONAL LEGISLATIVE ASSEMBLY
Autonomous Region in Muslim Mindanao
Cotabato City

SECOND LEGISLATIVE ASSEMBLY
(THIRD REGULAR SESSION)

Begun and held in Cotabato City, on Monday, the twenty-fourth day of April, Nineteen Hundred and Ninety Five.

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[MUSLIM MINDANAO AUTONOMY ACT NO. 47]

AN ACT GRANTING EA TRILINK CORPORATION A FRANCHISE TO ESTABLISH, CONSTRUCT, INSTALL, WORK, MAINTAIN, UPGRADE, LAY, MANAGE AND OPERATE NETWORKS TO PROVIDE TELECOMMUNICATIONS SERVICES WITH FIXED AND MOBILE SERVICES IN THE AUTONOMOUS REGION IN MUSLIM MINDANAO.

Be it enacted by the Regional Legislative Assembly in session assembled:

Section 1. Nature and Scope of Franchise. - Subject to the provisions of the Constitution, Republic Act No. 6734 and other applicable laws, rules and regulations, there is hereby granted to EA TRILINK Corporation, hereunder referred to as the grantee, its successors or assigns, a franchise to establish, construct, install, work, maintain, upgrade, lay, manage and operate networks to provide telecommunication services with fixed and mobile services, in accordance with the primary purpose of the corporation as contained in its Articles of Incorporation, in the Autonomous Region in Muslim Mindanao with Maguindanao as its base.

Sec. 2. Manner of Operation of Stations or Facilities. - The grantee shall, upon recommendation of the Regional Governor, secure from the National Telecommunications Commission, siting and operated, and the wavele

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The grantee is authorized to negotiate
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PALAPA, MEANSAT, THAISAT, RIMSAT, APSTAR
any telecommunication satellite and/or
wholly or partially owned or leased by th

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Subject to existing laws, rules and
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The grantee shall have the right to
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The grantee shall have the right
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The grantee shall have the right to
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carrier-to-carrier rates.



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The grantee shall have the right to accompany the Signatory at all Intelsat, Inmarsat, and Measat (etc) meetings and correspond and negotiate directly with Intelsat, Inmarsat, Measat, etc. on all operational matters.

The Signatory shall take reasonable cognizance of the grantee's views, which shall be promptly given in writing. Each party shall bear its own costs associated with such meetings but there shall be no charge levied on the grantee by the Signatory.

In the event that the Signatory fails, refuses or denies the rights and entitlements of the grantee under the law or existing applicable rules and regulations, the grantee may inform the Head of NTC in writing of such failure, refusal or denial for appropriate action within fourteen (14) days of receipt thereof and may require the Signatory to remedy such complaints of the grantee in the most expeditious and judicious manner.

Sec. 3. Authorization to Connect Other Systems and to Provide Services by Means of the Grantee's Networks.

- Subject to the authority as determined by the NTC, the franchise is hereby authorized to connect the grantee's networks but not limited to the following:

- a) any public telecommunication system in the Republic of the Philippines, mobile or otherwise;
- b) any private telecommunication system in the Republic of the Philippines, mobile or otherwise;
- c) any telecommunication system situated on a vehicle, vessel, submersible, hovercraft, aircraft or offshore installation; and
- d) telecommunication apparatus and equipment of every description which is comprised in the grantee's networks.

The grantee shall allow any person or persons or organization to connect peripheral equipment or

apparatus to the grantee's network to transmit and receive messages within or among its private premises or organized network, provided that person or persons or organization have earlier entered into an agreement with the grantee stipulating terms and conditions, relevant charges and equipment specification for such a connection.

The grantee shall have the rights to: (1) lease from the incumbent operators; and (2) lease to the incumbent operators, access capacity and Dark Fiber at negotiated carrier-to-carrier rates as may be determined and approved by the NTC Head or appropriate agency of the National Government from time to time.

Sec. 4. Security. - Subject to applicable ARMM laws and national policies, the grantee's network shall be protected from the following:

- a) willful obstruction or intervention; and
- b) deliberate and undue interruption, interception or listening in any messages transmitted, conveyed or received in the grantee's network.

Sec. 5. Identification and Repair of Faults. - Upon notification or discovery of any faults, it is the duty of the grantee to undertake prompt and immediate action on the following:

- a) repair of the faults in the network; and
- b) grantee's physical access shall bear reasonable rights to identify and repair wherever such faults of the networks are located within its licensed area.

Sec. 6. Exceptions and Limitations on Obligations. - Unless the franchise otherwise requires, the grantee's obligations shall take effect and commence after the approval of this franchise. But, in no case, the grantee shall be obliged to do anything, in its reasonable opinion, that is not commercially or otherwise practicable.

The grantee shall not be held responsible in any failure to comply with any obligation should the malfunctions or failure of the network is caused by physical, topographical, force majeure or man-made obstacles, act of local or national authority, legal constraints or impediments, emergency, riots or war, or anything beyond the control of the grantee.

The obligation of the grantee to provide telecommunication services shall not apply to the following:

- a) where provision of the service requested would expose any person engaged in its provision to undue risk to health or safety;
- b) where the grantee is unable to obtain (either because it has not been developed or for some other reason beyond the grantee's control) anything necessary to provide a service of the quality or standard required by the person who requests the provision of the service and, in the event of dispute, the Head of NTC's decision as to whether anything is necessary shall be final;
- c) where the person to whom the grantee would otherwise be under an obligation to provide any service requires a service at place in which the apparatus necessary to provide that service in that area has not been installed (or in which the installation of such apparatus has not been completed) or, as the case may be, such apparatus has not been adapted or modified to make it capable of providing the service of the kind requested or the trained manpower necessary to provide the service is not available in that area;
- d) where the person to whom the grantee would otherwise be under an obligation to provide service requests a service at a

place in area in which the demand or the prospective demand for the service is not sufficient, having regard to the revenue likely to be earned from the provision of the service in that area, to meet all the costs reasonably to be incurred by the grantee in providing the service there, including:

- (a) the cost of the apparatus necessary for the provision of the service there;
 - (b) the cost of installing, maintaining and operating such apparatus for the purpose of providing the service; and
 - (c) the cost of the trained manpower necessary to provide the service; and
- e) where, in the opinion of the Head of NTC, it is not reasonably practicable in all the circumstances for the grantee to provide the service requested at the time or place demanded.

Sec. 7. Rates of Service. - The grantee shall fix just and reasonable rates for its telecommunication services, subject to the regulations and approval of the National Telecommunications Commission.

Sec. 8. Term of Franchise. - This franchise shall be for a term of twenty five (25) years from the date of the approval of this act.

This franchise may be allowed to operate and maintain the networks for the period of five (5) years from the date of the approval of this act on exclusive basis to provide reasonable time for the grantee to recover its initial investments.

In the event, however, that the grantee fails to operate continuously for two (2) years, the franchise shall be deemed ipso facto cancelled or revoked.

Sec. 9. Sale, Lease, Transfer, Assignment, Usufruct. - The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise and the rights and privileges acquired thereunder to any person, firm, company or corporation, or legal entity, nor shall the controlling interest in the grantee be transferred to any such private person, firm, company, corporation or entity without the prior approval of the Regional Assembly or its legal successor.

Sec. 10. Right of Government. - In case of war, insurrection, domestic trouble, public calamity or national emergency, the national government, through the Regional Autonomous Government, upon the order of the President, shall have the right to take over and operate the equipment of the network paying for its use or damages.

Sec. 11. Public Equity Participation. - Consistent with the constitutional mandate and in compliance with Republic Act Numbered 6734, the grantee shall make public offering at least sixty percent (60%) of its common stocks through the stock exchanges within a period of ten (10) years from the date of the approval of this act but no person or entity shall however be allowed to own more than five percent (5%) of the stock offerings.

Sec. 12. Warranty in Favor of Local and Regional Governments. - The grantee shall hold the Regional Autonomous and Local Governments in Muslim Mindanao harmless from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or persons, caused by operation of the franchise in the use of the networks equipment, which shall be solely under the responsibility of the grantee.

Sec. 13. Tax Provisions. - The grantee shall pay to the Regional Autonomous Government, through the Regional Treasury, during the lifetime of the franchise a franchise tax of five percent (5%) of the gross revenues derived by the grantee from its telecommunication services.

The grantee shall likewise be subject to income tax to be paid to the Regional Autonomous Government,

including its real property tax as authorized by the Organic Act for those acquired or earned from activities other than its telecommunication services.

In case that any competing company or corporation receives and enjoys tax privileges and other favorable terms which may place the grantee at any disadvantage, the preceding provisions shall be deemed ipso facto part thereof and shall operate equally in favor of the grantee.

Sec. 14. Legislative Amendments. - This franchise is subject to amendments or repeal by the Regional Assembly or its legal successor when the public interest so requires.

Sec. 15. Separability Clause. - If any section or provision of this franchise is held or declared unconstitutional or invalid by a competent court in a final judgment, the other sections or provisions hereof shall continue to be in force as if the section or provision so voided had never been incorporated in this Act.


Sec. 16. Repealing Clause. - All regional laws or orders, or parts thereof, which are inconsistent herewith are hereby repealed or modified accordingly.

Sec. 17. Effectivity. - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of regional circulation in the Autonomous Region.

APPROVED:


GUIMID P. MATALAM
Speaker

This Act was passed by the Regional Legislative Assembly on February 6, 1996.


TOMMY A. ALA
Secretary-General

APPROVED:


LININDING P. PANGANDAMAN
Regional Governor
Date: March 26, 1996