

Republic of the Philippines  
CONGRESS OF THE PHILIPPINES  
Metro Manila

Third Regular Session

Begun and held in Metro Manila on Monday, the twenty-fourth day of July, nineteen hundred and eighty nine.

REPUBLIC ACT NO. 6849

**AN ACT PROVIDING FOR THE INSTALLATION, OPERATION, AND MAINTENANCE OF PUBLIC TELEPHONES IN EACH AND EVERY MUNICIPALITY IN THE PHILIPPINES, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES**

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

SECTION 1. Title. - This act shall be known as the "Municipal Telephone Act of 2000."

SECTION 2. Declaration of National Day Policy. - Recognizing that the benefits of modern communication technology are as important to rural development as they are to urban areas, the State shall pursue and foster, in an orderly, purposive and vigorous manner, the interconnection of all municipalities in the country through the establishment and early realization of a nationwide network of public calling stations.

SECTION 3. Projects Office. - For purposes of administering the provisions of this Act, there is hereby created a Municipal Telephone Projects Office in the Department of Transportation and Communications (DOTC) with the following functions:

(a) Develop, in coordination with all other agencies concerned, a plan for providing public calling stations with technology capable of voice and data transmission in every municipality and, when feasible, in such barangay not otherwise served by an existing telephone exchange using appropriate technology and for this purpose formulate or cause to be formulated, engineering studies;

(b) Undertake the implementation of the said plans and programs and toward this end, to enter into contracts subject to existing laws and regulations for the procurement of equipment, construction of facilities and the installation of the system;

(c) Arrange for funding from any source, private, government, foreign or domestic, including official development assistance, bilateral and multilateral loans subject to applicable laws and regulations;

(c) Prescribe and ensure compatibility with minimum standards and regulations to assure acceptable standards of construction, maintenance, operation,

(d) personnel training, accounting and fiscal practices for the municipal telecommunications operators of public calling stations;

(e) Furnish technical assistance and personnel training programs for the municipal telecommunications operators of public calling stations;

(f) Monitor and evaluate local telecommunications and effect system integration and operations whenever economically and technically feasible. Provided, however, That the approval of the provincial government of the province where any or all of the functions above mentioned are to be discharge is first secured.

SECTION 4. Management of the Projects Office. - A projects Director, who shall be a person of integrity, competence and experience in technical fields related to the purposes of this Act, shall be appointed by the President of the Philippines upon the recommendation of the Secretary of Transportation and Communications. He shall have the rank, position and emoluments of an undersecretary.

The Projects Director shall have the following powers and duties;

(a) To execute and administer the plans and projects for the realization of the policy set forth in this Act;

(b) To direct and supervise the operation and internal administration of the Projects Office and, for this purpose, to delegate some or any of his powers and duties to appropriate subordinate officials;

(c) Subject to the guidelines and policies established by the Secretary of Transportation and Communications, to appoint and in coordination with the Department of Budget and Management fix the number and compensation of officials and employees of the Projects Office, subject to Civil Service Law;

(d) To prepare an annual report on the activities of the Projects Office on or before the end of the first quarter after the fiscal year completed and to submit a copy thereof to the President of the Philippines and the Congress of the Philippines; and

(e) To exercise such other powers and duties that are proper or necessary to carry out the purposes of this Act as may be vested in him by the Secretary of Transportation and Communications.

SECTION 5. Rights of First Option. - All domestic telecommunications carriers or utilities existing at the time of the affectivity of this Act, and franchised to service a province or region WHICH shall have been certified by the National Telecommunications Commission (NTC) as rendering satisfactory and competent service in its area of operation, are hereby given, under equal conditions and circumstances, the first option to provide, install and operate public calling stations or telephones in provincial communications network which shall be capable of voice and data transmission and shall be interconnected to the public switched telephone network or other national transmission facilities. The intention to exercise the option shall be made specifically in writing to the Projects Office within six (6) months of the affectivity of this shall indicate the preferred province and the time frame of development. Private operators or franchisees of such public calling stations shall be entitled to the same

benefits and privileges enjoyed by those installed and operated by Government in so far as tax concessions and/or incentives are concerned.

SECTION 6. Frequency Allocation. - In order to accelerate the implementation of this project, National Telecommunication Commission (NTC) is authorized to assign or reassign, when necessary, existing radio frequency users currently operating.

SECTION 7. Rates and Mandatory Sharing of Toll Revenue. - The NTC, subject to its standard guidelines and in consultation with the regional development councils concerned, shall fix an equitable, reasonable and uniform rate of charges for every type of call. A rate schedule shall be set for all municipal telephone calls under the following classifications:

- (a) Municipal to International;
- (b) Municipal to Metro Manila, and other domestic long distance calls;
- (c) Municipal to Provincial Capital;
- (d) Municipal to Municipal;
  - (1) of the same province
  - (2) of difference provinces, other than domestic long distance.

In connection with the rates, the National Telecommunications Commission (NTC), in consultation with the toll network operators or interchange carriers and the provincial government concerned, shall authorize and cause the implementation of an equitable toll revenue sharing and collection scheme. The share of the local exchange operators in toll revenues shall be remitted by the interchange carries to them within ninety days (90) from receipt.

SECTION 8. Timetable of Implementation. - The Projects Office shall install all public calling stations for provinces and municipalities not covered by private communication utilities under Section 5 hereof, such that each one of the municipalities in the Philippines still unserved by telephone at the affectivity of this Act, shall have at least one (1) public calling station or public telephone by the third year of effectively of this Act. Where resources permit, the Projects Office shall also extend the services concurrently or subsequently to other remote barangays of the country. The public calling stations shall be interconnected to the public switched telephone network or other national transmission facilities, subject to the technical interconnection standards prescribed by the NTC.

SECTION 9. Operation by Local Governments. - Provinces and municipalities are hereby authorized to set up, operate and maintain their respective public calling stations or to grant franchise to private entities for the operation and maintenance of telephone systems and/or public calling stations: Provided, That the NTC certifies that the proposed grantee is technically and financially capable of complying with all the requirements of public services.

SECTION 10. Appropriation. - The amount of two hundred million pesos (P200,000,000.00), or so much thereof as may be necessary to implement the provisions of this Act, shall be taken from the appropriations provided under Title 1 - Telecommunications of Executive Order No.

182. In addition, the sum of three hundred million pesos (P300,000,000.00), or so much thereof in equivalent foreign currencies as may be necessary, shall be source, in their order of preference, from foreign grants, concessional loans, official development assistance, commercial loans, and/or export credits to meet the objective of this Act.

SECTION 11. Official Development Assistance. - The provisions of Executive Order No. 230 of 1986, on the power of the NEDA Board, and the rules and regulations governing the evaluation and authorization for the availment of Official Development Assistance notwithstanding, the municipal telephone program provided for in this Act shall be eligible for foreign loans and grants without further evaluation by the NEDA Board, subject to Section 21, Article XII of the Constitution.

#### TRANSITORY PROVISIONS

SECTION 12. Sunset Clause. - The projects Office shall not have a life exceeding ten (10) years from the date of the approval of this Act and may only be extended by act of Congress. At the options of the provincial government, the systems operating in each province shall be turned over to it, except those operating under Section 5 thereof.

SECTION 13. Separability of Provisions. - Any portion or provisions of this Act that may be declared unconstitutional or invalid shall not have the effect of nullifying other portions and provisions hereof as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

SECTION 14. Repealing Clause. - All acts or parts of acts inconsistent herewith are repealed or modified accordingly.

SECTION 15. Effectivity. - This act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

APPROVED,

(SGD.) RAMON V. MITRA

Speaker of the House of Representatives

(Sgd.) JOVITO R. SALONGA

President of the Senate

This Act which is a consolidation of Senate Bill No. 892 and House Bill No. 3452 was finally passed by the Senate and the House of Representatives on December 20, 1989 and December 21, 1989 respectively.

(Sgd.) QUIRINO D. ABAD SANTOS, JR.

Secretary of the House of Representatives

(Sgd.) EDWIN P. ACOBA

Approved: February 8, 1990

Secretary of the Senate

(Sgd.) CORAZON C. AQUINO

President of the Philippines