

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3121



INTRODUCED BY REPRESENTATIVE JOSE "PINGPING" I. TEJADA

EXPLANATORY NOTE


This bill seeks to renew the franchise granted to Central CATV, Inc. (now Sky Cable Corporation), under Republic Act No. 7969 entitled "An Act Granting the Central CATV, Inc. a Franchise to Establish, Construct, Maintain and Operate for Commercial Purposes Cable/Community Antennae Television Systems in the Philippines" enacted into law on 30 March 1995.

Sky Cable Corporation ("Sky Cable") is an entity that has been granted by the State to operate television systems for the last twenty five (25) years. It has begun its operation of television systems in Metro Manila and eventually extended its operation in key provincial areas. In its earnest effort to service the Filipino nationwide, and pursuant to its existing franchise, Sky Cable applied, and was granted by the National Telecommunications Commission in 2015 an authority to operate a direct broadcast satellite service. Today, Sky Cable is a leader in providing the public a better access to a variety of sources of news, information, education, science and technology, and entertainment.

Information dissemination plays a crucial role in the development and growth of our country. Throughout its more than twenty years in the service, Sky Cable has not only provided entertainment to Filipino families nationwide, but has also served the Filipino people in disseminating vital information in pursuit of the State's recognition of the vital role of communication and information in nation building. It has likewise provided the government an avenue to reach out to its constituents even in the far-flung provinces.

In recognition of Sky Cable's commitment and leadership as television systems and direct broadcast satellite service provider, and its effort to keep pace with technological and capital requirements of its operations, the immediate renewal of its franchise is recommended to ensure the uninterrupted and improved delivery of services to the Filipino people.

In the light of the above premises, the passage of this bill is earnestly sought.


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

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AN ACT

RENEWING THE FRANCHISE GRANTED TO SKY CABLE CORPORATION (FORMERLY CENTRAL CATV, INC.) UNDER REPUBLIC ACT NO. 7969 OR "AN ACT GRANTING THE CENTRAL CATV, INC. A FRANCHISE TO ESTABLISH, CONSTRUCT, MAINTAIN AND OPERATE FOR COMMERCIAL PURPOSES CABLE/COMMUNITY ANTENNAE TELEVISION SYSTEMS IN THE PHILIPPINES" FOR TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT

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

1 **Section 1. Nature and Scope of Franchise.** – Subject to the provisions of the 1987
2 Philippine Constitution and applicable laws, rules and regulations, the franchise granted to
3 Sky Cable Corporation (formerly Central CATV, Inc.), hereunder referred to as the grantee,
4 its successors or assigns, to construct, install, establish, operate, and maintain for
5 commercial purposes and in the public interest, community antennae television systems in
6 the different provinces, cities and municipalities in the Philippines, and those of foreign
7 television and radio and other stations, including pay TV, and the distribution or
8 transmission of the same to homes, offices, condominiums, subdivisions, hotels,
9 restaurants, and other residential, commercial and industrial structures within and outside
10 the Philippines by means of electromagnetic waves, optics or any kind of energy, force,
11 variations or impulses, radiated through space or transmitted through any other medium as
12 may be allowed by law and are at present available or will be made available through
13 technological advances or innovations in the future, to originate, distribute, transmit and
14 receive through said systems, news and documentaries, and to establish, construct,
15 maintain and operate such other systems as are essential or convenient to carry out the
16 forgoing is hereby renewed for another twenty-five (25) years from the effectivity of this
17 Act.

18
19 **Section 2. Manner of Operation of Stations or Facilities.** – The stations or facilities
20 of the grantee shall be constructed and operated in a manner as will, at most, result only in
21 the minimum interference on the wavelengths or frequencies of existing stations or other
22 stations which may be established by law, without in any way diminishing its own privilege
23 to use its assigned wavelengths or frequencies and the quality of transmission or reception
24 thereon as would maximize rendition of the grantee's services and/or availability thereof.

25
26 **Section 3. Prior Approval of the National Telecommunications Commission.** – The
27 grantee shall secure from the National Telecommunications Commission (NTC) the

1 appropriate permits and licenses for the construction and operation of its stations and
2 facilities, and shall not use any frequency in the radio/television spectrum without
3 authorization from the NTC. The NTC, however, shall not unreasonably withhold or delay
4 the grant of any such authority.

5
6 **Section 4. Responsibility to the Public.** – The grantee shall provide adequate public
7 service time to enable the government, through the said cable television stations or
8 facilities, to reach the population on important public issues; provide at all times sound and
9 balanced programming; promote public participation such as in community programming;
10 assist in the functions of public information and education; conform to the ethics of honest
11 enterprise; and not use its stations and facilities for the transmission of obscene and
12 indecent language, speech, act or scene, or for the dissemination of deliberately false
13 information or willful misrepresentation, to the detriment of the public interest, or to incite,
14 encourage, or assist in subversive or treasonable acts.

15
16 **Section 5. Right of Government.** – A special right is hereby reserved to the President
17 of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or
18 disturbance of peace and order, to temporarily take over and operate the stations or
19 facilities of the grantee; to temporarily suspend the operation of any station or facility in
20 the interest of public safety, security and public welfare; or to authorize the temporary use
21 and operation thereof by any agency of the government, upon due compensation to the
22 grantee, for the use of its stations or facilities during the period when they shall be so
23 operated.

24
25 **Section 6. Term of Franchise.** – This franchise shall be in effect for a period of
26 twenty-five (25) years from the effectivity of this Act, unless sooner revoked or cancelled.
27 This franchise shall be deemed *ipso facto* revoked in the event the grantee fails to operate
28 continuously for two (2) years.

29
30 **Section 7. Acceptance and Compliance.** – Acceptance of this new franchise shall be
31 given in writing within sixty (60) days from the effectivity of this Act. Upon giving such
32 acceptance, the grantee shall exercise the privileges granted under this Act. Non-
33 acceptance shall render the franchise void.

34
35 **Section 8. Tax Provisions.** – The grantee, its successors or assigns, shall be liable to
36 pay the same taxes on their real estate, buildings and personal property, exclusive of this
37 franchise, as other persons or corporations are now or hereafter may be required by law to
38 pay. In addition thereto, the grantee, its successors or assigns, shall be levied, assessed and
39 collected a franchise tax equivalent to three percent (3%) of all gross receipts of the
40 business transacted under this franchise by the grantee, its successors or assigns and the
41 said percentage shall be in lieu of all taxes on this franchise or earnings thereof: *Provided,*
42 That the grantee, its successors or assigns, shall continue to be liable for income taxes
43 payable under Title II of the National Internal Revenue Code.

44
45 The grantee shall file the return with and pay the tax due thereon to the
46 Commissioner of Internal Revenue or his duly authorized representatives in accordance with
47 the National Internal Revenue Code and the return shall be subject to audit by the Bureau of
48 Internal Revenue.

1 **Section 9. Self-regulation by and Undertaking of Grantee.** – The grantee shall not
2 require any previous censorship of any speech, play, act or scene, or other matter to be
3 telecast from its stations: *Provided*, That the grantee, during any telecast shall cut off from
4 the air the speech, play, act or scene, or other matter being telecast if the tendency thereof
5 is to propose and/or incite treason, rebellion or sedition; or the language used therein or
6 the theme thereof is indecent or immoral: *Provided, further*, That willful failure to do so
7 shall constitute a valid cause for the cancellation of this franchise.
8

9 **Section 10. Sale, Lease, Transfer, Grant of Usufruct, or Assignment.** – The grantee
10 shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and
11 privileges acquired thereunder to any person, firm, company, corporation or other
12 commercial or legal entity, nor merge with any other corporation or entity without the prior
13 approval of the Congress of the Philippines. Neither shall the controlling interest in the
14 grantee be transferred, whether as a whole or in parts and whether simultaneously, or
15 contemporaneously, to any such person, firm, company, corporation or entity without the
16 prior approval of the Congress of the Philippines. Any person or entity to which this
17 franchise is sold, transferred or assigned, shall be subject to the same conditions, terms,
18 restrictions and limitations of this Act.
19

20 **Section 11. Warranty in Favor of National and Local Governments.** – The grantee
21 shall hold the national, provincial, city and municipal governments of the Philippines free
22 from all claims, accounts, demands, or actions arising out of accidents or injuries, whether
23 to property or to persons, caused by the construction or operation of the stations, facilities
24 and equipment of the grantee.
25

26 **Section 12. Separability Clause.** – If any of the sections or provisions of this Act is
27 held invalid, all other provisions not affected thereby shall remain valid.
28

29 **Section 13. Repealability and Non-exclusivity Clause.** – This franchise shall be
30 subject to amendment, alteration, or repeal by the Congress of the Philippines when the
31 public interest so requires and shall not be interpreted as an exclusive grant of the privileges
32 herein provided for.
33

34 **Section 14. Reportorial Requirement.** – The grantee shall submit an annual report to
35 the Congress of the Philippines, on its compliance with the terms and conditions of the
36 franchise and on its operations with sixty (60) days from the end of every year.
37

38 **Section 15. Effectivity.** – This Act shall take effect fifteen (15) days after its
39 publication in the Official Gazette or in a newspaper of general circulation.
40
41

42 Approved