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REPUBLIC OF THE PHILIPPINES

Office of the President

NATIONAL TELECOMMUNICATIONS COMMISSION

Quezon City

NOTIFICATION OF COMMENCEMENT OF PUBLIC  
HEARING ON APPLICANT'S MOTION FOR EXTENSION OF  
PROVISIONAL AUTHORITY

APR 6 1 2015

*Issued by: Hurly 11.15pm*

TOLEDO CABLE TV, INC.,

*Applicant.*

NTC CASE NO. 2013-126

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## MOTION FOR EXTENSION OF PROVISIONAL AUTHORITY (PA)

COMES NOW, applicant, TOLEDO CABLE TV, INC. through the undersigned Counsel and unto this Honorable Commission, most respectfully states that:

1. TOLEDO CABLE TV, INC. was previously granted with a Provisional Authority (P.A.) to install, operate and maintain a Cable Television (CATV) system in **BARILI, CEBU** by virtue of an Order of the Honorable Commission dated 27 September 2013 effective for eighteen months or until but not beyond 27 March 2015. A copy of the 27 September 2013 Order is herewith attached and marked as ANNEX "A".
2. Applicant is in the process of negotiating with its supplier of equipment for the purchase of transmitter to be used in its Cable Television Station Barili, Cebu. It fully intends to apply for the issuance of Permit to Purchase Transmitter once the purchase of the transmitter has been finalized. Upon filing of the application for Permit to Purchase, Toledo Cable TV, Inc. undertakes to provide the Honorable Commission with a copy of its application filed stamped as received by the Broadcast Services Division (BSD) to form part of this Motion for Extension respectfully submitted by the Applicant.
3. Applicant has been compliant with the terms and conditions of its Provisional Authority and therefore moves for the extension of its period of effectiveness from the date of its intended date of expiration, which is 27 March 2015.

4. On 25 June 2014, Toledo Cable TV Inc., faithfully complied with its obligation of paying the National Telecommunications Commission (NTC) Supervision and Regulations Fee (SRF) for the year 2014 with the aggregate amount of Seven Thousand Pesos (Php7,000.00). A copy of the Official Receipt No. 705582 as proof of such payment made by the Applicant is herewith attached and marked as ANNEX "B".

5. Applicant has not violated any terms and conditions of its Provisional Authority (PA) and has no pending administrative case.

6. Toledo Cable TV Inc. commits to comply with all the necessary requirements in support of this Motion and will abide by all pertinent rules and regulations by this Honorable Commission in the installation of the broadcast system and in the operation of its services offered.

7. There is a cogent need for the extension of the Provisional Authority (PA) granted to Toledo Cable TV, Inc. that it can continue and finish its installation and eventually operate for the benefit and interest of the subscribing public it has undertaken to serve, in a proper and suitable manner.

8. Hence, to further continue the installation and commence the operations of herein Applicant in line with its objective of public service, Toledo Cable TV, Inc. respectfully moves for the extension of the Provisional Authority (PA).

#### PRAYER

WHEREFORE, in view of all the foregoing, it is respectfully prayed that the Honorable Commission grants this Motion for Extension of Provisional Authority and issue an Order extending Applicant's Provisional Authority to install, operate and

maintain a Cable Television (CATV) system in BARILI, CEBU to be reckoned from its intended expiry date on 27 March 2015.

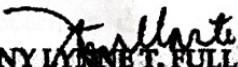
Applicant likewise prays for other reliefs, just and equitable under the premises.

RESPECTFULLY SUBMITTED.

Pasig City for Quezon City, 27 March 2015.

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PTR No. 0250960/06 January 2015/Pasig City  
MCLE Comp. No. IV-0014652/ 26 March 2013

**NOTICE OF HEARING**

Commission Secretariat/Honorable Hearing Officer  
NATIONAL TELECOMMUNICATIONS COMMISSION  
BIR Road, East Triangle, Diliman, Quezon City.

Greetings!

Please submit the foregoing Motion for consideration and approval of this Honorable Commission immediately upon receipt hereof without need of further arguments.

  
JENNY LYNNIE T. FULLANTE

REPUBLIC OF THE PHILIPPINES  
NATIONAL TELECOMMUNICATIONS COMMISSION  
Quezon City

TOLEDO CABLE TV, INC.,  
Applicant.

NTC CASE NO. 2013-126

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O R D E R

This pertains to the "Application for issuance of a Certificate of Authority (C.A.)" to install, operate and maintain a cable television (CATV) system in Barili, Cebu, filed by Toledo Cable TV, Inc. on May 31, 2013.

The records reveal that applicant is duly organized and registered with the Securities and Exchange Commission with Registration No. CS094-000160 dated March 18, 1994.

During the initial hearing, the applicant presented its compliance with the jurisdictional requirements of the Commission but none of the affected parties listed in the Notice of Hearing came forward to oppose the application. This case shall, therefore, be resolved on the basis of the evidence submitted by the applicant and of the pertinent documents at hand.

In support of its application, applicant submitted, among others, a Letter Request for Pole Attachment with Cebu I Electric Company, Inc.

On the basis of the evidence submitted, the Broadcast Services Division (BSD), conducted an economic, financial, and technical evaluation and prepared a Report, as follows:

**ECONOMIC AND FINANCIAL EVALUATION:**

"1. Provision 5A of EO 436 is not applicable.

**2. Demographic Profiles**

|   |        |
|---|--------|
| Total Population  | 65,524 |
| Total Households<br>(Basis: 2010 NSO Census of Population)  | 14,244 |
| Total targeted subscribers of herein applicant  | 1380   |
| Total potential subscribers in the proposed area based on the accepted threshold of P10,000.00 - P15,000.00 monthly family/household income (NSO) representing 25% of household | 3,561  |

**3. Project Cost:**

|                           |                         |
|---------------------------|-------------------------|
| Trunk Cable               | PHP 1,000,000.00,       |
| Distribution Cable        | 800,000.00              |
| Drop Cable                | 200,000.00              |
| Other Equipment           | 200,000.00              |
| <b>Total Project Cost</b> | <b>PHP 2,200,000.00</b> |

**4. 5-year Targeted Subscribers of the proposed CATV System**

| Year | Targeted Subscribers | Cumulative Total Subscribers |
|------|----------------------|------------------------------|
| 1    | 450                  | 450                          |
| 2    | 330                  | 780                          |
| 3    | 240                  | 1020                         |
| 4    | 180                  | 1200                         |
| 5    | 180                  | 1380                         |

**5. 5-year Revenue Projection of the proposed project**

| REVENUES/INCOME |              |            |
|-----------------|--------------|------------|
| Year            | Gross Income | Net Income |
| 1               | 1,881,000.00 | 1,905.00   |
| 2               | 3,549,000.00 | 394,154.55 |
| 3               | 4,728,000.00 | 650,261.74 |
| 4               | 5,634,000.00 | 834,132.53 |
| 5               | 6,450,000.00 | 991,802.61 |

**6. Proposed Rates to be Charged:**

|                             |            |
|-----------------------------|------------|
| Installation Fee (One time) | P 1,500.00 |
| Monthly Subscription Fee    | 400.00     |

**7. Evidence of Source of Funds:**

|  |                  |
|--|------------------|
| Bank Certificate from Metrobank, Cebu-Toledo Branch dated August 01, 2013 that applicant maintains Current Account No. 304-7384508525.                                       | PhP 1,056,968.45 |
| First Consolidated Cooperative DAS, Toledo City Certificate of Deposit dated July 31, 2013 , that applicant maintains Account SA No. 0013-0006732-7.                         | 341,689.74       |
| PNB Toledo Branch Certificate of Deposit dated August 1, 2013 under Savings Combo Corporate Acct. No. 234549500021.  | 214,323.95       |
| Credit Certification from RICKLEE ENTERPRISES, INC. dated August 1, 2013 intended for applicant's expansion project in the Municipalities of Barili, Aloguinsan and Dumanjug | 10,000,000.00    |

**8. Financial Structure of Applicant:**

**1.) Per SEC approved Articles of Incorporation:**

|                          |                  |
|--------------------------|------------------|
| Authorized Capital Stock | PhP 5,000,000.00 |
| Subscribed Capital Stock | 1,400,000.00     |
| Paid-Up Capital          | 350,000.00       |

**2.) Per its latest (2011) submitted Audited Financial Statement:**

|                                  |                   |
|----------------------------------|-------------------|
| Total Assets                     | PhP 17,367,203.99 |
| Total Liabilities                | 13,252,749.28     |
| Total Stockholders' Equity       | 4,114,454.71      |
| Appropriated Retained Earnings   | 1,500,000.00      |
| Unappropriated Retained Earnings | 1,214,454.71      |
| Paid-Up Capital                  | 1,400,000.00      |

**9. Debt to Equity : 76.% to 24 %**

**10. In view of the above, the proposed CATV system in Barili, Province of Cebu is found to be economically viable and applicant is financially capable of implementing the CATV project. However, it is required to increase its**

Subscribed Capital and Paid-up Capital to meet the D/E ratio requirement of the Commission. Furthermore, applicant is obliged to submit its 2012 Audited Financial Statement as required in the grant of its previous PA.

#### TECHNICAL EVALUATION:

1. Applicant Toledo Cable TV, Inc. proposes to install, operate and maintain a Cable Television System in the Municipality of Barili, Cebu. It intends to utilize its head-end facilities located at Toledo City.
2. Applicant submitted the following requirements :
  - a. Technical Specifications
  - b. Vicinity Map
  - c. Distribution System
  - d. Head-end Block Diagram
  - e. Program of Work
  - f. Municipality Map
3. The proposed channels are as follows:

|                                  |   |                    |
|----------------------------------|---|--------------------|
| No. of Off-air Channels          | - | 1                  |
| No. of Local Channels            | - | 3                  |
| <u>No. of Satellite Channels</u> | - | <u>61</u>          |
| <b>Total</b>                     |   | <b>65 channels</b> |

4. List of Programs:

| CHANNEL | PROGRAM             | SIGNAL SOURCE |
|---------|---------------------|---------------|
| 2       | CCTN                | ABS 1         |
| 3       | ABS-CBN             | OFF-AIR       |
| 4       | NBN 4               | ABS 1         |
| 6       | COMMUNITY CHANNEL   | LOCAL         |
| 7       | GMA 7               | TELSTAR 18    |
| 8       | TV 5                | NSS 11        |
| 9       | TELE NOVELA CHANNEL | KOREASAT 5    |
| 10      | FOX NEWS            | ASIASAT 3S    |
| 11      | BBC NEWS            | ASIASAT 3S    |
| 12      | ALJAZEERA           | ASIASAT 3S    |
| 13      | CHANNEL NEWS ASIA   | ASIASAT 3S    |
| 14      | NHK WORLD           | INTELSAT 19   |
| 15      | ANC                 | INTELSAT 19   |
| 16      | GMA NEWS TV         | APSTAR 5      |
| 17      | AKSYON TV           | SES 7         |
| 18      | DZMM TELERADIO      | PAS 8         |
| 19      | DZRH RADYO TV       | MEASAT 3      |
| 20      | CINEMA ONE          | INTELSAT 19   |
| 21      | PBO                 | ABS 1         |
| 22      | HBO                 | APSTAR 2R     |
| 23      | CINEMAX             | APSTAR 7      |
| 24      | STAR MOVIES         | ASIASAT 3S    |
| 25      | FOX TV              | INTELSAT 19   |

|    |                        |             |
|----|------------------------|-------------|
| 25 | FOX TV                 | INTELSAT 19 |
| 26 | AXN                    | APSTAR 7    |
| 27 | DISNEY CHANNEL         | INTELSAT 19 |
| 28 | DISNEY PLAY<br>HOUSE   | INTELSAT 19 |
| 29 | JACK TV                | MEASAT 3    |
| 30 | TALK TV                | MEASAT 3    |
| 31 | STAR WORLD             | ASIASAT 3S  |
| 32 | STUDIO 23              | PAS 8       |
| 33 | BTV                    | MEASAT 3    |
| 34 | SOLAR SPORTS           | MEASAT 3    |
| 35 | STAR SPORTS            | ASIASAT 3S  |
| 36 | FOX SPORTS             | INTELSAT 19 |
| 37 | BALLS                  | INTELSAT 19 |
| 38 | CRIME<br>INVESTIGATION | MEASAT 3    |
| 39 | HISTORY<br>CHANNEL     | MEASAT 3    |
| 40 | BIO CHANNEL            | MEASAT 3    |
| 41 | DISCOVERY<br>CHANNEL   | INTELSAT 19 |
| 42 | NATIONAL<br>GEOGRAPHIC | MEASAT 3    |
| 43 | LIVING ASIA            | ABS 1       |
| 44 | KNOWLEDGE<br>CHANNEL   | INTELSAT 19 |
| 45 | CHANNEL V              | PALAPA D    |
| 46 | AUSTRALIA              | PAS 8       |
| 47 | DW TV                  | ASIASAT 3S  |
| 48 | ETC                    | MEASAT 3    |
| 49 | PINOY EXTREME          | NSS 11      |
| 50 | VIDEOKE<br>CHANNEL     | LOCAL       |
| 51 | CONCERT<br>CHANNEL     | LOCAL       |
| 52 | SHOP TV                | MEASAT 3    |
| 53 | UNTV                   | MEASAT 3    |
| 54 | IBC 13                 | ABS 1       |
| 55 | MANMIN TV              | ABS 1       |
| 56 | ACQ                    | TELSTAR 18  |
| 57 | HOPE CHANNEL           | PAS 8       |
| 58 | NET 25                 | APSTAR 5    |
| 59 | PENTAGON               | SES 1       |
| 60 | LOTUS MACAU            | ASIASAT 3S  |
| 61 | EDGE                   | ASIASAT 5   |
| 62 | CNN                    | INTELSAT 19 |
| 64 | HYPER                  | SES 17      |
| 65 | COLOURS                | INTELSAT 19 |
| 66 | NATL. GEO.             | PALAPA D    |

## 5. Outside Plant Facilities:

Trunk Line : Fiber Optic  
 Distribution Line : Coaxial Cable 500 series  
 Drop cables : RG-6

In view of the foregoing evaluation, the Commission hereby finds the applicant to be financially capable of undertaking the proposed project. Additionally, the proposed project appears to be economically viable and technically feasible drawing from the fact that the system conforms with the cable technical standards prescribed by the Commission. Thus, the issuance of a Provisional Authority to herein applicant is in order.

**WHEREFORE**, in the interest of public service, the Commission hereby grants the applicant **TOLEDO CABLE TV, INC.** a **PROVISIONAL AUTHORITY (P.A.)** to install, operate and maintain a cable television (CATV) system in the **MUNICIPALITY OF BARILI, CEBU**, valid for **EIGHTEEN (18)** months. This, however, excludes those that may be cablecast through TVRO system which shall be treated in a separate application, pursuant to Memorandum Circular No. 10-7-93 and subject to the compliance within 30 days from receipt of this Order, with 70:30 Debt-to-Equity Ratio requirement. Further, applicant shall comply with the following terms and conditions:

1. Applicant-Grantee must carry in its program line-up at least one (1) community channel, one (1) news and information channel, and one (1) education, cultural and civic channels.
2. On the construction schedule, it is directed to:
  - a. File with this Commission, within five (5) days from receipt hereof, its written Acceptance of the terms and conditions herein prescribed;
  - b. Execute within five (5) days from receipt hereof, an ESCROW AGREEMENT with a reputable bank for the amount equivalent to the estimated cost of the project, with express condition that this amount cannot be withdrawn except for this project, and submit a copy thereof to the Commission;
  - c. Purchase equipment and materials needed for the installation of the project, within ten (10) days from receipt hereof, and submit a copy of the Official Receipt as proof that the equipments have been purchased;
  - d. Pay, within ten (10) days from receipt hereof, the corresponding fees for the permits to purchase and possess the equipment and a Construction Permit for the installation of the station, as shall be assessed by the Broadcast Services

Division (BSD) and shall correspondingly furnish a photocopy of the receipt of payment to be attached to the records of the case;

- e. Submit, within ten (10) days from receipt hereof, a copy of Deed of Sale or Lease Agreement of the land/building or copy of the Original/Transfer Certificate of Title to said property, building or space where the station shall be installed.
3. It shall conform with the technical standards set by this Commission and the Philippine Cable Television Association (PCTA) and/or Federation of International Cable TV Association of the Philippines (FICAP). It shall likewise conform with the program standards and such other standards and requirements, as prescribed by this Commission;
4. It shall provide free of charge, a minimum of thirty (30) hours/month time or access channel thru its CATV facilities to the National Government to enable it to reach the population on important public issues; assist government, National or Local, in the functions of public information and education; conform to the ethics of honest enterprise; and not use its station for the telecasting of obscene and indecent language, speech, act or scene, or for the dissemination of deliberately false information or willful misrepresentation, or do any such act to the detriment of public welfare, health, morals, or to incite, encourage, or assist in any treasonous, rebellious or subversive acts/omissions;
5. It shall at all times operate its CATV facilities under the direct supervision of a duly registered Electronics and Communications Engineer;
6. A special right is reserved to Government in time of war, rebellion, public peril, or other national emergency or when public safety or public interest so requires, to cause the closing of said station or to authorize the use and operation thereof by any department of the Government without compensation to the Grantee for the use of said station during the continuance of the national emergency;
7. It shall pay to this Commission on or before September 30th of each year, supervision and regulation fees as required under Section 40 (e) of the Public Service Act otherwise known as Commonwealth Act No. 146 as amended, computed at the rate of PhP0.50 for every one hundred pesos (PhP100.00) or fraction thereof, of the capital stock subscribed or paid or if no shares have been issued of the capital invested or of the cost of property and equipment, whichever is higher;
8. It shall not lease, transfer, sell, or assign this Provisional Authority or any rights and privileges acquired hereunder, to any person, firm, company, corporation or entity, nor merge with any other company or corporation organized for the same purpose, without the prior approval of this Commission;
9. It shall secure from this Commission permits and licenses for the equipment, facilities and operations and shall have at all times valid permits and licenses to cover its equipment, facilities and operations;
10. It shall allow this Commission or its authorized representatives to conduct ocular or visitorial inspection of its facilities at any reasonable hour of the day;
11. It shall not engage as public carrier of communication services nor charge rates therefor without first obtaining a legislative franchise and a Certificate of Public Convenience and Necessity (CPCN) pursuant to law, rules and regulations now existing or hereinafter promulgated;

12. The authority herein granted to it to operate Cable Television System does not carry with it the authority to operate any radio and TV broadcasting system;
13. In the operation of its system, its licensed technicians shall be under the direct supervision of a duly licensed Electronics and Communications Engineer (ECE);
14. It shall at all times maintain Program and Operating Logs and shall make entries as provided for in the Technical Standards; a Public Information File shall also be maintained and shall be made available to NTC representatives or to any interested party;
15. In the operation of this service, it shall at all times abide by the pertinent provisions of Executive Order 546 and other applicable laws, rules and regulations;
16. It shall comply with the provisions of the Social Security Act, Labor and Social Legislations and other applicable laws as well as their implementing rules and regulations. For this purpose, it shall submit to this Commission on or before April 30<sup>th</sup> of each year together with the Annual Report, a certification that employees have been paid and also clearances from the Department of Labor, Workmen's Compensation Commission, and such other offices enforcing labor and social laws;
17. It shall submit to this Commission an Annual Report to include its Audited Financial Statement and the number of subscribers of each station on or before April 30<sup>th</sup> of the succeeding years;
18. It shall comply with the provisions of PD 1986 (MTRCB), RA 9239 (OMB), and such other applicable laws including its implementing rules and regulations and shall register its CATV station with the MTRCB and Optical Media Board (OMB). For this purpose, it shall submit to this Commission a copy of its registration with the Movie Television Review and Classification Board (MTRCB) and Optical Media Board (OMB);
19. It shall install, operate and maintain its CATV system in accordance with good engineering practices and standards and with the plans and specifications approved by this Commission;
20. It shall render service only within the areas defined in the approved plans and shall not suspend operations within the said localities or any portion thereof without first obtaining authority from this Commission. In case of accidental or temporary interruption, written notice shall be given to the Commission within ten (10) days from occurrence thereof with the detailed explanation of the cause and duration of such interruption;
21. It shall cablecast programs that make for the enhancement of reforestation which creates new jobs and provides opportunities for profitable self-ecology, such as government and NGO's efforts to fight off pollution and poverty, employment, promotion of community based participation in the protection, preservation, and sustainable utilization of forest land and resources and promotion of ecological tourism;
22. It shall comply with all the laws, rules & regulations of the land;
23. This authority shall not be deemed exclusive in nature and character, may be revoked, revised or amended when circumstances so warrant in accordance with law, rules and regulations now existing or which may hereinafter be prescribed by the Commission.

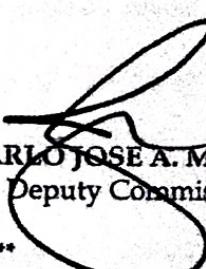
This PROVISIONAL AUTHORITY (P.A.) shall serve as applicant's permit to purchase, possess and construct the equipment required for the CATV system herein authorized.

Failure of applicant to comply with any of the abovementioned conditions renders the P.A. herein granted **NULl AND VOID**.

SO ORDERED. **SEP 27 2013**

Quezon City, Philippines.

  
GAMALIEL A. CORDOBA  
Commissioner

  
CARLO JOSE A. MARTINEZ  
Deputy Commissioner

  
DELILAH F. DELES  
Deputy Commissioner

RCN/tessie\*\*\*

**COPY FURNISHED:**

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The Chief, BSD, This Commission.

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**CERTIFIED TRUE COPY**

*Jugzalda 9/27/13*  
**ERLINDA G. ZALDUA**  
OIC COMSEC