

REPUBLIC OF THE PHILIPPINES
Office of the President
NATIONAL TELECOMMUNICATIONS COMMISSION
Quezon City

APR 01 2015

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11:15AM

TOLEDO CABLE TV, INC.,

NTC CASE NO. 2013-128

Applicant.

X _____ X

**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 ALOGUINSAN, 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 has been issued with Station License under BSD No. 3115 NTC7-006-2014 effective from 02 December 2014 to 27 November 2015 and with Certificate of Registration under Permit No. TVRO07-006-2014 issued on 02 December 2014. Copies of the Station License and Certificate of Registration is herewith attached and marked as ANNEX "B" and ANNEX "C", respectively.
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

ECONOMIC AND FINANCIAL EVALUATION:

1. E.O. 436 is not applicable considering that there is no existing CATV System in the area at present.
2. DEMOGRAPHIC PROFILES:

Total Population	27,650
Total Households (Basis: 2010 NSO Census of Population)	6,011
Total targeted subscribers of herein applicant	950
Total potential subscribers in the proposed area at present based on the accepted threshold of PhP10,000.00 - PhP15,000.00 monthly family/household income (NSO) base on 25% of household	1,503

3. PROJECT COST:

Trunk Cable	PhP 900,000.00
Distribution Cable	650,000.00
Drop Cable	200,000.00
Other Equipment	100,000.00
Total Projected Cost	PhP 1,850,000.00

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

Year	Targeted Subscribers	Cumulative Total Subscribers
1	330	330
2	180	510
3	180	690
4	140	830
5	120	950

5. 5-year Revenue Projection of the proposed project

REVENUES/INCOME		
YEAR	GROSS INCOME	NET INCOME
1	1,389,000.00	5,315.00
2	2,322,000.00	216,132.30
3	3,186,000.00	402,406.41
4	3,918,000.00	552,086.38
5	4,452,000.00	648,795.25

6. PROPOSED RATES TO BE CHARGED:

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

7. SOURCES OF FUND:

Bank Certificate from Metrobank, Cebu-Toledo Branch dated August 01, 2013 with Current Account No. 304-7384508525 under the name of TOLEDO CABLE TV, INC.	PhP 1,056,968.45
First Consolidated Cooperative DAS, Toledo City Certificate of Deposit Account under SA No. 0013-0006732-7 dated 7/31/2013 under the name of TOLEDO CABLE TV, INC.	341,689.74
PNB Toledo Branch Certification of Deposit Account with Savings Combo Corporate Acct. No. 234549500021 dated Aug. 1, 2013	214,323.95
Credit Certification from RICKLEE ENTERPRISES, INC. dated August 1, 2013 intended for its 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 Stockholder's Equity	4,114,454.71
Retained Earnings/Appropriated	1,500,000.00
Retained Earnings/Unappropriated	1,214,454.71
Paid-Up Capital	1,400,000.00

9. Debt to Equity : 76% to 24%

TECHNICAL EVALUATION:

1. Applicant proposes to install, operate and maintain a cable TV system in the Municipality of Aloguinsan, Cebu. They shall be utilizing its head-end facilities located at Toledo City.
2. Applicant submitted the following requirements in support of their application:
 - a. Technical Specifications
 - b. List of TV programs to be offered
 - c. Outside Plant Lay-out
 - d. Head-end block diagram
 - e. Program of work
 - f. Municipality Map
3. The proposed channels are as follows:

Off-Air Channel	-	1
Local Channels	-	3
Satellite Channels	-	61
Total	-	65

4. List of Programs:

CHANNEL	PROGRAM	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 Teleradyo	Pas 8
19	DZRH Radyo TV	Measat 3
20	Cinema One	Intelsat 19
21	PBO	ABS 1

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22	HBO	Apstar 2R
23	Cinemax	Apstar 7
24	Star Movies	Asiasat 3S
25	FOX TV	Intelsat 19
26	AXN	Apstar 7
27	Disney Channel	Intelsat 19
28	Disney Play 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 Investigation	Measat 3
39	History Channel	Measat 3
40	Bio Channel	Measat 3
41	Discovery Channel	Intelsat 19
42	National Geographic	Measat 3
43	Living Asia	ABS 1
44	Knowledge 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 Channel	Local
51	Concert 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, the Commission finds the applicant to be technically feasible to undertake the proposed project as it conforms with the cable technical standards prescribed by the Commission. The issuance of a Provisional Authority to herein applicant is therefore in order.

WHEREFORE, in the interest of public service, the Commission hereby GRANTS applicant TOLEDO CABLE TV, INC. a PROVISIONAL AUTHORITY (P.A.) to install, operate and maintain a cable television (CATV) system in the Municipality of Aloguinsan, Province of Cebu, valid for eighteen (18) months from date hereof. 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. Further, applicant shall comply with the following terms and conditions:

1. Applicant-Grantee shall increase its paid-up capital to comply with the 70:30 Debt-to-Equity Ratio requirement within thirty (30) days from receipt of this Order;
2. It 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.
3. 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 equipment has 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 stations 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 shall 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 times 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 Public Service Act otherwise known as Commonwealth Act No. 146 as amended, computed at the rate of PhP=0.50 for every one hundred pesos (PhP=100.00) 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 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 the Applicant-Grantee 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, licensed technicians of the Applicant-Grantee 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 30th 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 30th 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;

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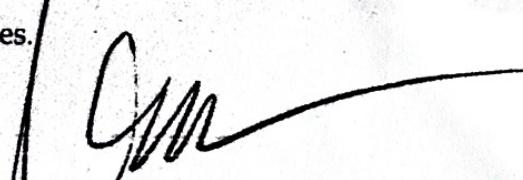
23. This authority shall not be deemed exclusive in nature and character, may be revoked, revised or amended when circumstances so warrant in accordance with law, rules and regulations now existing or which may hereinafter be prescribed by the Commission;

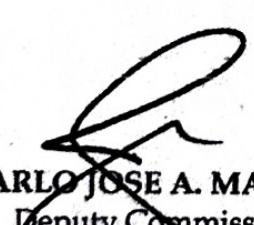
Failure of applicant to comply with the afore-stated conditions shall render the Provisional Authority VOID.

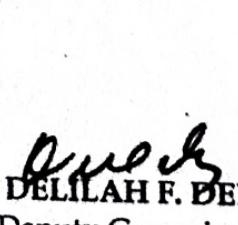
This PROVISIONAL AUTHORITY (P.A.) shall serve as applicant's permit to purchase, possess and construct the equipment required for the CATV system herein authorized.

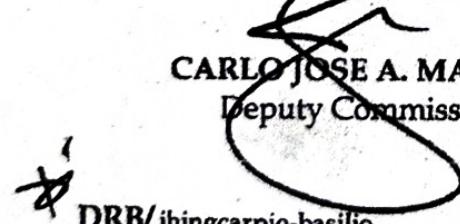
SO ORDERED. SEP 27 2013

Quezon City, Philippines.


GAMALIEL A. CORDOBA
Commissioner


CARLO JOSE A. MARTINEZ
Deputy Commissioner


DELILAH F. DELES
Deputy Commissioner


DRB/jhingcarpio-basilio

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NTC Regional Office No. VII
Wireless, Subangdaku
Mandaue City, Cebu

The Chief, BSD, This Commission

Office of the President
Malacañang Palace
1000 J.P. Laurel Street
San Miguel, Manila

Ref:2013-128 TOLEDOCABLE
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Jenzelana 9/27/13
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