



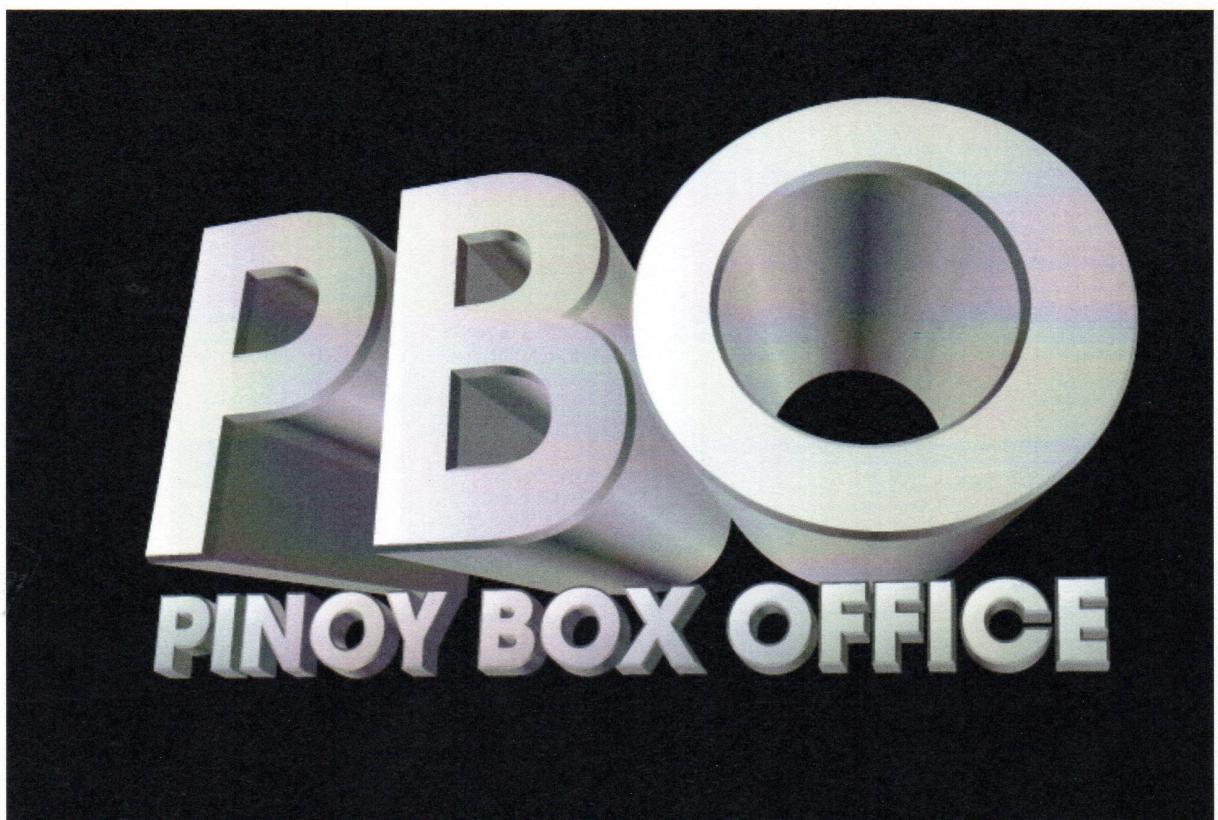
2004

CHAIR'S

REPORT

The title is presented in three lines of large, bold, white, sans-serif text. The first line contains the year "2004". The second line contains the words "CHAIR'S" in all caps. The third line contains the word "REPORT" in all caps. The text is centered vertically on the page.

**Federation of International Cable TV
Associations of the Philippines**



Introductory Report

Not Monologue But Dialogue

We are rational beings. God gave us the gift of reason. And the faculties to express it. For our own sake. And those of others.

Dialogue flows from our human constitution. We dialogue with our fellowmen to better understand each other. We dialogue with friends to keep the bonds intact. But we find dialogue specially useful when it comes to maintaining a harmonious relationship with those who hold views contrary to ours.

In your chair's current report, as in the previous years, you would find that we have met and talked with individuals and groups whose policies and practices greatly influence the present and the future of cable TV operators specially the small and medium enterprises that comprise FICAP.

It is not inaccurate to state that the convention we are holding today is but an enlarged version of the dialogues we have conducted two to three times a week with the fellows who make our lives interesting, to say the least.

How will revitalized IPO operations affect the creative programming that has kept cable TV's small and micro enterprises alive for the past years? New IPO chief Adrian Cristobal, Jr. will make a report and, perhaps, lend a sympathetic ear.

Are local governments about to kill us with their incredible assessments and unreasonable taxes? They will have their representatives here ready to debate with you.

What's the latest at NTC? What's hot in the technology market? The amiable Commissioner Ronald Solis et al will come with the answers.

We are full of optimism these dialogues would result in something concrete, translatable into benefits for our members. If not, at least we could keep on talking and keep the doors open.

We should not forget that dialogue has thawed our erstwhile icy relations with our suppliers resulting in reduced program rates. Our active participation in Congressional hearings helped in the formulation of a bill regulating the construction and lease of utility poles. Our never-say-die lobbying delayed and derailed the dreaded Subscribed TV Act, nee Cable Bill, and the NTC IRRs which have threatened our very existence.

In the sometimes complicated world of cable television, dialogue, not monologue, should be the prologue to peaceful and fruitful co-existence.

May God continue to shower us with His blessings.


ESTRELLITA JULIANO-TAMANO
National Chair
Federation of International Cable TV Associations of the Philippines (FICAP)



FICAP IN THE NEWS

FICAP IN THE NEWS

FICAP IN THE NEWS

The Philippine STAR BUSINESS

Mon. April 4, 2005

14-16.

MANILA BULLETIN,

ter in Tagaytay City on April

The leader of the biggest group of cable television operators in the country has called for the immediate enactment of a law making theft of cable communication service a p-

Estrellita Julianano, national chairperson of Federation of International Associations of Cable (FICAP), an organization of members,

New body on information and communications technology welcomed

The Federation of International Cable TV Association of the Philippines (FICAP), a nationwide organization of some 800 small-and-medium-sized enterprises (SMEs) in the cable industry, has expressed its full support for the newly established Commission on Information and Communications Technology (CICT).

President Gloria Macapagal Arroyo has created CICT as the lead government body in ICT policy formulation and implementation, harmonizing and coordinating actions on public ICT initiatives and cross issues that cannot be handled by specific government agencies.

CICT absorbs all functions of the Department of Transportation and Communications (DoTC) that have something to do with communications and information. Headed by Virgilio Peña, CICT reports directly to the President.



infrastructure for needed by the PICT development already available.

Internet voice calls not exclusive to telcos - NTC

BUSINESSWORLD
Thursday, March 31, 2005

President has realized is that cable facilities in the countryside, maintained by cable TV SMEs are three times more than those owned by huge corporations in the urban areas.

The best Internet service is cable

Congress asked to fast-track passage of bill regulating lease of utility poles

The leader of the biggest group of cable television operators in the country has called for the immediate enactment of a law making theft of cable communication service a p-

Estrellita Julianano, national chairperson of Federation of International Associations of Cable (FICAP), an organization of members,

Cable TV operators ask Congress to regulate construction, lease of utility poles

By MARY ANN LL. REYES

Federation of Interna-

seemed to be moving well towards approv- However, despite its urgency to the grow- communications industry, including companies, the bill has not been e said.

initiated the bill with input's from organization, the California Cable Communications A o said that if the of Am IV

the o-

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FICAP Regional Meetings in 2004

Regional membership meeting in Isabela (Region II)
October 2, 2004 at Isabela Hotel Minante I, Cauayan, Isabela



With Estrellita Juliano-Tamano, Cecile Dy, Nap Foronda, Racquel Mamuric, Digna Abad-Galura, Remy Fernandez, Herman Estibar, Victor Salas, Carlo Guinto, Caesar Oblena, Edmar de la Cruz, Sta. C. Fe, Rey Cinense, Jovito Cokee, Raffy Serrano, Erning Zafra, Ingemar Macarine, Julius Paggao, Dexter

Regional membership meeting in Baguio (Region I and CAR)
October 9, 2004 at Hotel Constancia, Baguio City



With Estrellita Juliano-Tamano, Cecile Dy, Beth Bugayong, Yolly Cortez, Joe Delmendo, Ruben Cortez, Ernest Elduayap, Charles Ang, Hubert Gasmena, Aga Bejerano, Eric Buenafe, Haidee Cortez, Shawi Cortez, Mamay Calub, Raffy Serrano, Evelyn Serrano, Rene Austria, Eufemia Lafastora, Ricardo Villena, Ronald Moy, Quirino Barnachea, Grace Tumaneng.

**Regional membership meeting in Cagayan de Oro City
(Regions IX, X, XI, XII, CARAGA and ARMM), October 14,
2004 at The Dynasty Court Hotel, Cagayan de Oro City**



With Estrellita Juliano-Tamano, Beth Kiamba, Ging Galicia, Sol Galicia, Fe Claire Buctuan, Rosani Mae Buctuan, Asiza Amirol, Pauline Pamintuan, Evelyn Ching, Medith Nazare, Raffy Serrano, Allan Capa, Rolly Flores, Emma Kwan, Jhon Joseph Lung.

**Regional membership meeting in Naga City (Region V)
October 20, 2004 at Naga Regent Hotel, Naga City**



With Estrellita Juliano-Tamano, Cecile Dy, Robert Jocom Jr., Lilian Jocom, Florentino Madera, Fabie Mendez, Noreen San Luis, Myra P. Cano, Evelyn Serrano, Andrew Alda, Mon Mendoza, Raffy Serrano, Rey Fusingan, Tirso Nagalez, Jun Adecer, Neil Jocom, Rafael Sotto, Mariafe Baldemaro, Joanne Tan, Noreen San Luis, Myra Cano, Richard Calleja, Bob Torres, Oscar Halum, Reymundo Camara, MV Estoloso, Thelma

Regional membership meeting in Pampanga (Region III)
October 23, 2004 at Blu Bianco Restaurant,
Clark Field, Pampanga



With Estrellita Juliano-Tamano, Cecile Dy, Ed Paynor, Dindo Talplacido, Michelle Edrada, Alex Yasay, Bernie Santos, T.S. Quizon, Segundito Saba, Josephine Saba, Lolita Cabreira, Gigi Miranda, Jerry Halum, Jojie Cuyugan, Chito Bautista, Raffy Serrano, Evelyn Serrano, Mon Mendoza, Lito Viola, Nino Reyes, Bogie Lorenzo, Jay Aderoso, Arnold Buenaventura.

Regional membership meeting in Iloilo City (Region VI)
October 27, 2004 at Sarabia Manor Hotel, Iloilo City



With Estrellita Juliano-Tamano, Tony Silloriquez, Dr. Cris Asuncion, Sammy Pormillos, Marilou Lavega, Jonalyn Fundar, Jojet Ursua, Juvy Galicia, Pauline Sozon, Cedric Sozon, Migs Caneda, Mon Mendoza, Donato Gayamat Jr., Sheila Bas, Stephen Solario, Joselino Galicia, Pauline Pamintuan, Janeth Ledda.

**Regional membership meeting in Batangas (Region IV)
November 4, 2004 at Alpha Hotel, Batangas City**



With Estrellita Juliano-Tamano, Cecile Dy, Elmer Puyo, NTC Regional Director Lilia A. Borjal-de la Pena.

**Regional membership meeting in Cebu City
(Region VII and VIII)
October 10, 2004 at Cebu Grand Hotel, Cebu City**



With Estrellita Juliano-Tamano, Cecile Dy, Rolando Olog, Arturo Goteesan, Liezl Lim Gregorio, Delia Ortego, Adriano Enriquez, Linde Lariosa, Art Dy, Joseph Manto, Leonilo Magpayo, Pauline Pamintuan, Raul Agaton Ibanez, Meredith Nazara, Migs Caneda, Dustin Tagudin, Mon Mendoza.

Ficap Chair's Activities for 2004

DATE	ACTIVITIES	VENUE
14 January	Meeting with Tim Bautista and Baby Zarate of Cable Boss. With Ed Paynor.	Renaissance Bldg., Meralco Ave., Pasig City
20 January	Meeting with Mr. Fernando Poe, Jr., Senator Loren Legarda and Senator Vicente Sotto III.	Bakahan & Manukan Rest., Greenhills, San Juan
21 January	Meeting with Senator Ernesto Maceda.	Philippine Plaza Westin Hotel, Roxas Blvd., Pasay
27 January	Meeting with Cable Boss. With Ed Paynor, Ruben Cortez, Cecile Dy and Joe Delmendo.	Renaissance Bldg., Meralco Ave., Pasay City
30 January	FICAP Board Meeting. With Cecile Dy, Bernardino Bailon, Moises Lim, Rolando Cabreira, Ed Paynor, Romy Zerrudo, Rey Cinense, Priscilla Alonzo, Romy Sarabia, Basilio Bolante, Ruben Cortez and Joe Delmendo.	Casino Espanol, T. M. Kalaw, Manila
03 February	Meeting with Cable Boss and HBO Singapore representative by FICAP board. With Cecile dy, Ruben Cortez and Ed Paynor.	Makati Shangri-la, Makati City

12 February	Meeting with the National Commission on Culture and the Arts (NCCA).	NCCA Bldg., Intramuros, Manila
17 February	Meeting with PBO. With Cecile Dy.	Phil. Stock Exchange Bldg., Ortigas Center, Pasig City
18 February	Meeting with Polly Pamintuan of Eupen re Cable Congress. With Cecile Dy.	EDSA Shangri-la, Mandaluyong City
25-27 March	5 TH FICAP International Cable Congress	Bohol Tropics Resort, Tagbilaran City
03 July	Board Meeting. With Ed Paynor, Rolly Flores, Elmer Puyo, Samadar Bala, Cecile Dy, Robert Jocom, Ruben Cortez, Rolly Olog, Chito Bautista, Laura Pascual and Aga Bejerano.	Casino Espanol, T.M. Kalaw, Manila
14 July	Birthday of NTC Commissioner Ronald Olivar Solis. Attended with Joe Delmendo, Aga Bejerano, Ruben Cortez, Chito Bautista, Cecile Dy and Ed Paynor.	NTC Bldg., BIR Road Quezon City
15 July	Appointment with NTC Commissioner Ronald Olivar Solis. With Cecile Dy, Ed Paynor and Aga Bejerano.	NTC Bldg., BIR Road, Quezon City
16 July	Meeting with NCCOM. To develop and promote Philippine arts and culture.	Philippine International Convention Center, Roxas Blvd., Pasay City

21 July	Conference re FERN and FICAP strategic planning. With Cecile Dy, Aga Bejerano, Joe Delmendo, Ed Paynor, Samadar Bala, Racquel Mamuric, Ruben Cortez and Elmer Puyo.	Astoria Plaza Hotel, Pasig City
22 July	Meeting with NTC Commissioner R.O. Solis.	NTC Multi-purpose Hall, NTC Bldg., Quezon City
04 August	Meeting with FORMOR Pres. J. Ernesto Rodriguez.	Penthouse of Tektite Bldg., Ortigas Center, Pasig City
05 August	Went to Butuan City to attend the wake and bukrial of Mrs. Alice Zerrudo. With Mary Ann Chion of Titay Cable.	Butuan City
05 August	Meeting (cocktails) at U.S. Embassy. With Cecile Dy.	U.S. Embassy, Roxas Blvd., Manila
07 August	Board Meeting. With Cecile Dy, Aga Bejerano, Ruben Cortez, Joe Delmendo, Ed Paynor, Robert Jocom and Chito Bautista.	Casino Espanol, T.M. Kalaw, Manila
13 August	FERN business opportunity meeting.	FERN office
17 August	Opening of FERN Boutique. Attended with Ed Paynor, Cecile Dy and Elmer Puyo.	Gold Loof Tower, Ortigas Center, Pasig City

18 August	Meeting with Joy Abrenica, exec. Director of Society for the Advancement of Technology Management in the Philippines (SATMP). With Cecile Dy.	FICAP Office, Sunset View Towers, Roxas Blvd., Pasay City
20 August	Planning session with FORMOR. With Ed Paynor, Moises Lim, Ruben Cortez, Elmer Puyo, Aga Bejerano and Dindo Talplacido.	Citimotors Bldg., Pasong Tamo, Makati City
03 September	Meeting with the NCCA.	NCCA Bldg., Intramuros, Manila
04 September	Board meeting at Taal Vista Lodge for ocular inspection of hotel as possible convention site. With Ed Paynor, Cecile Dy, Aga Bejerano, Rolly Flores, Tony Silloriquez, Ruben Cortez, Chito Bautista, Rolly Olog and Elmer Puyo. Guests: Sammy Pormillos, Jhon Joseph Ambagan, Jr. and Liezl Gregorio. Sponsored by Quantum, with Janeth Ledd and Harold Ledda.	Taal Vista Lodge, Tagaytay City
06 September	Meeting with Smart re possibility of making FICAP as e-load distributor. With Ed Paynor, Cecile Dy and Ruben Cortez.	Smart Bldg., Makati City

07 September	Meeting with Infocom (Pres. Cecilio Lorenzo and Lito Viola. With Ed Paynor, Moises Lim and Ruben Cortez.	Infocom Bldg., Makati City
16 September	Special board meeting re Smart e-load as business opportunity. With Ed Paynor, Elmer Puyo, Aga Bejerano, Cecile Dy and Cherry Llares (for Robert Jocom).	Casino Espanol, T.M. Kalaw, Manila
22 September	Meeting with Sky Bundle – Gaye Reyes.	ABS-CBN Bldg., Mother Ignacia, Quezon City
23 September	Meeting with Smart. With Ed Paynor and Alvin Ty.	Smart Bldg., Makati City
29 September	Meeting with Catherine May Jimenez and Collin Cho of Brains International re NCCA.	FICAP Office, Sunset View Towers, Roxas Blvd., Pasay
02 October	Regional membership meeting Region II.	Isabel Hotel, Minante I, Cauayan, Isabela
09 October	Regional meeting – Region I and CAR	Constancia Hotel, Baguio City
14 October	Regional meeting – Regions IX, X, XI, XII, Caraga, XI, XII, Caraga and ARMM.	The Dynasty Court Hotel, Cagayan de Oro City
15 October	Meeting with NCCA.	NCCA Bldg., Intramuros, Manila

20 October	Regional meeting – Region V.	Naga Regent Hotel, Naga City
23 October	Regional meeting – Region III.	Blu Bianco Restaurant, Clark Field, Pampanga
27 October	Regional meeting – Region VI.	Sarabia Manor Hotel, Iloilo City
04 November	Regional meeting – Region IV.	Alpha Hotel, Batangas City
10 November	Regional meeting – Regions VII and VIII.	Cebu Grand Hotel, Cebu City
19 November	FICAP board meeting. With Cecile Dy, Racquel Mamuric, Ruben Cortez, Joe Delmendo, Tony Silloriquez, Robert Jocom, Ed Paynor, Rolly Olog, Aga Bejerano, Samadar Bala and Chito Bautista.	Casino Espanol, T.M. Kalaw, Manila
23 November	Meeting with Gigi Herrera re NCCA “Maestra Viajes.”	FICAP Office, Sunset View Towers, Roxas Blvd., Pasay
06 December	Meeting with NCCA.	NCCA Bldg., Intramuros, Manila
06 December	Dinner meeting at invitation of Belgium Embassy thru Eupen. With Cecile Dy.	Belgian Ambassador's Residence, Forbes Park, Makati City

09 December	Meeting with Chito Bautista re “Maestra Viajes” program of NCCA.	FICAP Office, Sunset View Towers, Roxas Blvd., Pasay
09 December	Meeting re “Celebrate the UN International Anti-Corruption Day”	Philippine International Convention Center, Roxas Blvd., Pasay City
10 December	Visit of Nestor Virata of Commission on Information and Communications Technology (CICT) to conduct interview on FICAP's program for CICT.	FICAP Office, Sunset View Towers, Roxas Blvd., Pasay City
13 December	Meeting of technical working group for Movie and Television Review and Classification Board (MTRCB) in Congress. Attended by Aga Bejerano as FICAP representative.	House of Representatives, Quezon City
15 December	Meeting with Viva and Prime channels, with Ken Fortun and Gary Lauriano.	Makati Shangri-la, Makati City

Federation of International Cable TV Associations of the Philippines

Brief History

On October 19, 1997, Mrs. Estrellita “Neng” Juliano-Tamano attended a cabale show in Kuala Lumpur, Malaysia, where she met and got acquainted with Ms. Connie Chang, a representative of Taiwan Cable Association (TCA). Ms. Chang encouraged Mrs. Tamano to visit Taiwan and have a first-hand experience in Taiwan's cable TV systems, facilities and equipment manufacturers.

On November 20, 1997, Juliano-Tamano visited Taiwan and met with Dr. Jimmy Hsieh, TCA chair. In one of their meetings, she learned about the crisis that Taiwan cable operators had gone through and thought out ways and means of preventing the same experience among cable operators in the Philippines.

Shortly after her return, Mrs. Tamano convened cable TV operators in Mindanao and expressed the need to unite and acquire recognition to properly protect and pursue their common interests. This resulted in the formation of the Mindanao Cable TV Operators Cooperative (MCTOC) with Neng Juliano-Tamano as chair on December 13, 1997. At the MCTOC general membership meeting in Cebu City on October 24, 1998, cable operators from Luzon and the Visayas were invited to address similar concerns. Recognizing the benefits of organization, the attendees followed the lead of the MCTOC and formed the Federation of International Cable TV Associations of the Philippines (FICAP). Interim officers were elected. The following month, on November 16, a general membership meeting was held at the Rembrandt Hotel in Quezon City where a new set of officers was elected. On January 26, 1999, no less than President Joseph Ejercito Estrada inducted FICAP officers, led by Estrellita Juliano-Tamano as national chair, in ceremonies held at Malacanang Palace.

Objectives

- To promote the interests of the small and medium cable TV operators in the Philippines and provide a forum of discussion of issues affecting the cable industry.
- To provide assistance to members in the sourcing of programs, supplies and equipment both in the domestic and international markets.
- To conduct training seminars for technical and managerial cable personnel.
- To act as liaison between the government and cable TV operators.
- To assist government in the formulation of laws and rules covering the industry.

Membership

Cable TV operators from Batanes to Sulu comprise the membership of the association. FICAP accounts for almost 90 percent of the total cable operators in the whole country.

Industry Issues and Concerns

1. PROPOSED CABLE BILL

Three new cable bills were filed in the Lower House of Congress in 2003. These bills were the same as those filed in the last Congress which FICAP opposed due to two objectionable provisions which are:

- Cable TV operators must secure a congressional franchise to operate
- No cable operator can broadcast TV programs without the prior consent of the program owner

FICAP POSITION

- Only cable TV companies operating nationally or in two or more regions must secure franchises from Congress.
- Regulations or TV programs and /or programmers must be covered by a separate Congressional bill.
- The regional offices of the National Telecommunications Commission must field their staffs so that each local government unit with a cable TV station operating in the locality will be inspected at least once every three months to assess its service delivery quality.
- NTC should not allow more than one cable TV operator in a given rural community with a base of not more than 4,000 subscribers.
- In urban communities with ten thousand subscribers, only two cable TV operators should be allowed to operate. Each new cable TV station in an urban area should have viability with a base of 5,000 subscribers.

2. THE CONVERGENCE BILL

The association proposed immediate deliberation on a convergence bill by both houses of Congress. FICAP strongly believes that this bill will be able to address the present market situation.

Some congressmen have been very supportive of the association's position with regard to the Convergence Bill as a priority measure. To us members of FICAP, this is a welcome development because this will widen the horizons for us cable TV operators. We will have the flexibility to offer other services in addition to cable TV.

This move by Congress to deliberate on the Convergence Bill does not mean that it will have a positive effect on all cable TV operators. Operators who do not want or do not have the capacity to make adjustments to add the converged products will be put in a bad situation vis-à-vis those who are prepared for it.

FICAP has been requested by the committee in charge to give comments and additional inputs regarding some provisions of the bill particularly with reference to cable TV operations. We would like to assure our members that we will do our best to take into consideration the common interests of every member.

3. PROGRAMMING

TV programs have lately been one of the problem areas for every operator. With the devaluation of the peso versus the US dollar, our program costs have gone up tremendously. FICAP through FICAP Holdings Corp. has been trying to negotiate with program owners. Several meetings were held but the price factor seems to be the source of disagreement.

Lately some program distributors have been badgering NTC to act on their complaints about the alleged use of "black boxes." They want all cable TV operators to buy their programs even if these are priced way above the prices offered in other Asian countries

4. POLE RENTALS

Slowly, electric utility companies have been increasing the rates on pole rentals. Meralco even charges 50 percent of the rate for poles that have not been in use by cable TV operators. During the hearing on the Meralco franchise extension, FICAP filed an opposition with regard to the practice of Meralco on pole rentals. The position of FICAP led to the request by some congressmen for the association to draft a bill regulating pole rental. The bill was drafted and some of the FICAP inputs are:

- There should be no discrimination in allowing cable TV operators use of poles owned by utility companies.
- There should be a fixed formula in the computation of pole rentals. The amount of rent should be determined considering pole depreciation and space actually used.
- Cable operators should not pay extra rent for value added services (VAS) passing through the cable wires.
- Contracts on pole rentals should be under the supervision of the NTC.

5. ILLEGAL CONNECTIONS

FICAP is presently preoccupied with working for the enactment of a law making the theft of cable TV service a punishable crime. There are already laws penalizing theft of electricity and water. But there is no law protecting the cable TV industry against illegal connections that spawned the proliferation of ghost subscribers who freely enjoy expensive cable programs paid by the cable operators. Illegal connections have caused losses to cable businessmen in millions of pesos.

The local cable TV industry grew mainly from the small investments of countryside entrepreneurs who put in their lifetime savings to bring world-class information and entertainment through cable TV. These small businesses continue to incur losses due to ghost subscriptions. Congress should act now to save the small and medium entrepreneurs of the cable industry.

6. REGULAR NTC CONSULTATIONS

NTC must hold a yearly consultation with cable TV operators registered with various associations to determine the relevance and practicality of NTC policies, rules and regulations. Prior to the enforcement of new rules and regulations affecting the operation of cable stations, NTC must consult the various cable TV groups to determine the adverse consequences of such regulations to the industry.