

Draft

OFFICE ORDER

No. _____

Subject: Additional Guidelines for the Evaluation of New CATV Applications

In order to effectively determine the economic viability of a CATV service area and the financial capability of a cable television applicant, the Commission hereby updates and modifies the requirements on the evaluation of cable television applications; to wit:

1. Minimum project cost for a new CATV application to include Headend equipment shall be P 3M (pesos).
2. Average monthly household income for potential subscribers:
P 20,000 (for all class of cities)
P 13,500 (for all class of municipalities)
3. For a Motion for issuance of Certificate of Authority (C.A.), applicant must be a Value Added Services (VAS) provider.
4. In order to determine more effectively the financial capacity of a CATV applicant / operator, its debt-to-equity (d/E) must be at least 70:30.
5. For Renewal of Provisional Authority, a CATV operator must have roll-out at least 50% of barangays within its service area.
6. Expired Provisional Authority of 5 years or more without Motion for Renewal may be subjected to cancellation of its authority.

As a general rule, in order to address the issue on over-building, and to account for the existence of other Pay TV services such as DTH/DTU (direct-to-home / direct-to-user) service, only 70% of the potential subscribers in a given service area shall be considered as the total number of potential subscribers for a CATV service.

Noting the foregoing, cable television service areas that are subject for evaluation are hereby classified as follows:

Service Area with 3,000 potential CATV subscribers - 2 CATV operators
and below

Service Area with 3,001 to 6,000 potential CATV - 3 CATV operators
subscribers

Service Area with more than 6,001 to 15,000 potential - 4 CATV operators
CATV subscribers

Service Area with 15,001 potential CATV subscribers - Multiple CATV operators

and above

Note:

The potential subscribers are computed based on monthly household income as furnished by the Philippine Statistics Office (PSA)

Office Order No. 62-06-2005 issued on June 20, 2005 is hereby superseded or amended accordingly.

For strict compliance.

GAMALIEL A. CORDOBA
Commissioner