



REPUBLIC OF THE PHILIPPINES  
**NATIONAL TELECOMMUNICATIONS COMMISSION**

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OFFICE of the NATIONAL ADMINISTRATOR  
 Administration, Rules and Regulations  
 SEP 04 2018  
 NTC TELETYPE UNIT

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 AND OR ERASURES)  
 DIVINA N. DAQUIOAG  
 CHIEF, CENTRAL RECORDS SECTION

**MEMORANDUM CIRCULAR**  
 No. 08-08-2018

**Subject: Additional Guidelines for the Evaluation of New CATV Applications**

WHEREAS, pursuant to Executive Order No. 546, Series of 1979, the National Telecommunications Commission (NTC) is vested with the power to promulgate rules and regulations as public safety and interest may require, to encourage a larger and more effective use of communications and broadcasting facilities and to maintain effective competition among private entities;

WHEREAS, cable TV continues to be a vital source of news, information and entertainment for the public;

WHEREAS, the entry of new pay TV services may impact on the viability of the cable TV business;

WHEREAS, the viability of cable TV operations is essential in order to ensure the continued provisioning of the service;

NOW THEREFORE, the NTC, pursuant to Act No. 3846, the Radio Control Law (as amended) and Executive Order 546 series of 1979, Executive Order 205 series of 1987 and Executive Order 436 series of 1997, hereby issues the following guidelines for the evaluation of new cable TV applications:

**Section 1 PURPOSE**

The purpose of this Memorandum Circular is to provide guidelines in determining the viability of proposed cable TV applications, noting that changes in the economic condition affects the CATV business.

**Section 2 GENERAL PROVISIONS**

Section 2.1 The minimum project cost for a new CATV application to include Head-End equipment shall be based on the potential CATV subscribers.

For below 3,000 potential CATV subscribers	PhP 5 Million
For 3,000 and above potential CATV subscribers	10 Million

Section 2.2 The average monthly household income for potential subscribers:  
 P 35,000 (for all class of cities)  
 P 20,000 (for all class of municipalities)

Section 2.3 In order to determine more effectively the financial capacity of a CATV applicant / operator, the maximum debt-to-equity (d/E) ratio shall be at least 70:30.

Section 2.4 For Renewal of Provisional Authority, a CATV operator must be operational or at least have rolled-out within the first 18 month on the initial grant of the Authority.

New applicant for a service area with existing CATV operator, shall invest in a similar or more advanced technology than that used by the incumbent operator.

Section 2.5 Expired Provisional Authority of five (5) years or more with no Motion for Renewal filed shall be revoked.

Section 2.6 CATV operators are encouraged to register as value added service (VAS) providers as an incentive for the grant of Certificate of Authority.

Section 2.7 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 60% of the potential subscribers in a given service area shall be considered as the total number of potential subscribers for a CATV service irrespective of the number of authorized DTH/DTU service provider.

Section 2.8 The potential subscribers are computed based on the latest monthly household income as furnished by the Philippine Statistics Authority (PSA). Only the Annex part of this Circular shall be modified to reflect the latest PSA data.

### Section 3 NUMBER OF CATV OPERATORS PER SERVICE AREA

Cable television service areas that are subject for evaluation are hereby classified as follows:

- |  |                           |
|--|---------------------------|
| Service Area with 2,000 potential CATV subscribers and below           | - 1 CATV operator         |
| Service Area with 2,001 to 6,000 potential CATV subscribers            | - 2 CATV operators        |
| Service Area with more than 6,000 to 15,000 potential CATV subscribers | - 3 CATV operators        |
| Service Area with more than 15,000 potential CATV subscribers          | - Multiple CATV operators |

### Section 4 REPEALING CLAUSE

Any Circular, Office Order or Memorandum or parts thereof inconsistent herewith are deemed superseded and/or amended accordingly.

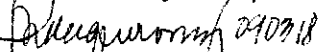
### Section 5 EFFECTIVITY

This Circular shall take effect fifteen (15) days after publication in a newspaper of general circulation and upon filing with the UP Law Center of three (3) certified true copies of the Circular.

Quezon City, Philippines 31 August 2018

  
**GAMALIEL A. CORDOBA**  
Commissioner

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