

[REPUBLIC ACT NO. 7969, March 30, 1995]

AN ACT GRANTING THE CENTRAL CATV, INC. A FRANCHISE TO ESTABLISH, CONSTRUCT, MAINTAIN AND OPERATE FOR COMMERCIAL PURPOSES CABLE/COMMUNITY ANTENNAE TELEVISION SYSTEMS IN THE PHILIPPINES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Nature and Scope of Franchise.* - Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to the Central CATV, Inc., hereunder referred to as the grantee, its successors or assigns, a franchise to construct, establish, install, operate and maintain for commercial purposes and in the public interest, community antennae television systems in the different provinces, cities and municipalities in the Philippines and between the Philippines and other countries and territories, through the reception of audio, visual and other signals of the different national and local television and radio stations in the Philippines, and those of foreign television, radio and other stations, including pay tv, and the distribution or transmission of the same to homes, offices, condominiums, subdivisions, hotels, restaurants, and other residential, commercial and industrial structures within and outside of the Philippines by means of electromagnetic waves, optics or any kind of energy, force, variations or impulses, radiated through space or transmitted through any other medium as may be allowed by law and are at present available or will be made available through technological advances or innovations in the future; to originate, distribute, transmit and receive through said systems, news and documentaries, entertainment, informational and educational radio and television programs, both live and recorded; and to establish, construct, maintain and operate such other systems as are essential or convenient to carry out the purpose of this franchise.

SEC. 2. *Manner of Operation of Stations or Facilities.* -The stations or facilities of the grantee shall be constructed and operated in a manner as will at most result only in the minimum interference on the wavelengths or frequencies of the existing stations or other stations which may be established in accordance with law, without in any way diminishing its own right to use its selected wavelengths or frequencies and the quality of transmission or reception thereon as would maximize rendition of the grantee's services and/or the availability thereof.

SEC. 3. *Prior Approval of the National Telecommunications Commission.* - The grantee shall secure from the National Telecommunications Commission the appropriate permits and licenses for its stations and shall not use any frequency in the radio and television spectrum without having been authorized by the Commission. The Commission, however, shall not unreasonably withhold or delay the grant of any such authority.

SEC. 4. *Responsibility to the Public.* - The grantee shall provide adequate public service time to enable the government, through the said cable television stations, to reach the population on important public issues; provide at all times sound and balanced programming; promote public participation such as in community programming; assist in the functions of public information and education; conform to the ethics of honest enterprise; and not use its stations for the transmission of obscene and indecent language, speech, act or scene, or for the dissemination of deliberately false information or willful misrepresentation to the detriment of the public interest, or to incite, encourage, or assist in subversive or treasonable acts.

SEC. 5. *Right of Government.* - The President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, may temporarily take over and operate the stations or facilities of the grantee, temporarily suspend the operation of any station in the interest of public safety, security and public welfare, or authorize the temporary use and operation thereof by any agency of the government, upon due compensation to the grantee, for the use of said stations or facilities during the period when they shall be so operated.

SEC. 6. *Term of Franchise.* - This franchise shall be for a term of twenty - five (25) years from the date of effectivity of this Act, unless sooner revoked or cancelled. In the event the grantee fails to operate continuously for two (2) years, this franchise shall be deemed ipso facto revoked.

SEC. 7. *Acceptance and Compliance.* - Acceptance of this franchise shall be given in writing within sixty (60) days after effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Nonacceptance shall render the franchise void.

SEC. 8. *Tax Provisions.* - The grantee, its successors or assigns, shall be liable to pay the same taxes on their real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay. In addition thereto, the grantee, its successors or assigns, shall be levied, assessed and collected a franchise tax equivalent to three percent (3%) of all gross receipts of the business transacted under this franchise by the grantee, its successors or assigns and the said percentage shall be in lieu of all taxes on this franchise or earnings thereof: *Provided*, That the grantee, its successors or assigns, shall continue to be liable for income taxes payable under Title 11 of the National Internal Revenue Code.

The grantee shall file the return with and pay the tax due thereon to the Commissioner of Internal Revenue or his duly authorized representatives in accordance with the National Internal Revenue Code and the return shall be subject to audit by the Bureau of Internal Revenue.

SEC. 9. *Self-regulation by and Undertaking of Grantee.* -The grantee shall not require any previous censorship of any speech, play, act or scene, or other matter to be telecast from its stations: *Provided*, That the grantee, during any telecast shall cut off from the air the speech, play, act or scene, or other matter being telecast if the tendency thereof is to propose and/or incite treason, rebellion or sedition; or the language used therein or the theme thereof is indecent or immoral, and willful