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Republic of the Philippines  
Province of Cagayan  
TUGUEGARAO CITY

NINTH (9<sup>th</sup>) CITY COUNCIL

COMMITTEE REPORT

March 18, 2025

Submitted by:

COMMITTEE OF THE WHOLE

Date: December 12, 2024

PRESENT:

HON. BIENVENIDO C. DE GUZMAN II	-	Chairman
HON. MARK ANGELO B. DAYAG	-	Member
HON. MARIA ROSARIO B. SORIANO	-	Member
HON. RONALDO S. ORTIZ	-	Member
HON. JUDE T. BAYONA	-	Member
HON. KARINA S. GAUANI-VIERNES	-	Member
HON. GRACE B. ARAGO	-	Member
HON. TIRSO S. MANGADA	-	Member
HON. MARC ALDOUS C. BACCAY	-	Member
HON. RESTITUTO C. RAMIREZ	-	Member

ABSENT:

HON. IMOGEN CLAIRE M. CALLANGAN		
HON. ARNEL T. ARUGAY		
HON. MARY MARJORIE P. MARTIN- CHAN	-	On Travel
HON. GILBERT S. LABANG		
HON. CERENE PEARL T. QUILANG		

RESOURCE PERSONS:

Atty. Roderick S. Iquin	-	City Legal Officer
Atty. Monique De Leon	-	Atty II/City Legal Office
Mr. Rodel Ordillos	-	RBC Cable Representative
Mr. Reynaldo Cinense	-	RBC Cable Owner

Date: January 21, 2025

PRESENT:

HON. JUDE T. BAYONA	-	Temporary Presiding Officer
HON. MARIA ROSARIO B. SORIANO	-	Member
HON. RONALDO S. ORTIZ	-	Member
HON. MARY MARJORIE P. MARTIN- CHAN	-	Member
HON. IMOGEN CLAIRE M. CALLANGAN	-	Member
HON. KARINA S. GAUANI-VIERNES	-	Member
HON. TIRSO S. MANGADA	-	Member
HON. MARC ALDOUS C. BACCAY	-	Member
HON. RESTITUTO C. RAMIREZ	-	Member
HON. CERENE PEARL T. QUILANG	-	Member

**ABSENT:**

HON. BIENVENIDO C. DE GUZMAN II  
HON. MARK ANGELO B. DAYAG  
HON. ARNEL T. ARUGAY  
HON. GRACE B. ARAGO  
HON. GILBERT S. LABANG

**RESOURCE PERSONS:**

Mr. Buenaventura F. Lagundi	-	City Treasurer
Mr. Joel Bariuan	-	OIC/BPLO
Atty. Gerome Pagalilauan	-	City Legal Office Representative
Mr. Rodel Ordillos	-	RBC Cable Representative
Mr. Reynaldo Cinense	-	RBC Cable Owner

**Date:** February 10, 2025

**PRESENT:**

HON. BIENVENIDO C. DE GUZMAN II	-	Chairman
HON. MARK ANGELO B. DAYAG	-	Member
HON. MARIA ROSARIO B. SORIANO	-	Member
HON. RONALDO S. ORTIZ	-	Member
HON. IMOGEN CLAIRE M. CALLANGAN	-	Member
HON. GILBERT S. LABANG	-	Member
HON. JUDE T. BAYONA	-	Member
HON. KARINA S. GAUANI-VIERNES	-	Member
HON. ARNEL T. ARUGAY	-	Member
HON. GRACE B. ARAGO	-	Member
HON. TIRSO S. MANGADA	-	Member
HON. MARC ALDOUS C. BACCAY	-	Member
HON. RESTITUTO C. RAMIREZ	-	Member
HON. CERENE PEARL T. QUILANG	-	Member

**ABSENT:**

HON. MARY MARJORIE P. MARTIN- CHAN	-	Member
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**RESOURCE PERSONS:**

Mr. Buenaventura F. Lagundi	-	City Treasurer
Mr. Rodel Ordillos	-	RBC Cable Representative
Mr. Reynaldo Cinense	-	RBC Cable Owner

**Date:** March 18, 2025

**PRESENT:**

HON. BIENVENIDO C. DE GUZMAN II	-	Chairman
HON. MARK ANGELO B. DAYAG	-	Member
HON. MARIA ROSARIO B. SORIANO	-	Member
HON. RONALDO S. ORTIZ	-	Member
HON. IMOGEN CLAIRE M. CALLANGAN	-	Member
HON. JUDE T. BAYONA	-	Member
HON. KARINA S. GAUANI-VIERNES	-	Member
HON. ARNEL T. ARUGAY	-	Member
HON. TIRSO S. MANGADA	-	Member
HON. MARC ALDOUS C. BACCAY	-	Member
HON. RESTITUTO C. RAMIREZ	-	Member

**ABSENT:**

HON. MARY MARJORIE P. MARTIN- CHAN  
HON. GILBERT S. LABANG  
HON. GRACE B. ARAGO  
HON. CERENE PEARL T. QUILANG - OB

RESOURCE PERSONS:

Atty. Roderick S. Iquin	-	City Legal Officer
Ms. Evelyn L. Canapi	-	CTO Representative
Mr. Joel C. Bariuan	-	OIC-BPLO
Mr. Rodel Ordillos	-	RBC Cable Representative
Mr. Reynaldo Cinense	-	RBC Cable Owner

COMMITTEE REPORT NO. 92-2025

SUBJECT:

**Indorsement of the City Mayor, Hon. Maila Rosario S. Ting-Que, on the request for the grant of franchise of RBC Cable Master System**

The Committee of the Whole met and deliberated on the subject matter.

ACTIONS TAKEN:

The Committee of the Whole met in a series of meetings to discuss the subject indorsement.

FINDINGS:

1. Resolution No. 197-94 was passed by the then Municipal Council of Tuguegarao granting municipal franchise for the operation of RBC Cable Master System for a period of twenty-five (25) years but renewable every after five (5) years and with a franchise fee of Five Thousand Pesos (Php5,000.00).
2. On October 17, 2024, the Local Chief Executive endorsed to the Ninth City Council the letter of Engr. Reynaldo B. Cinense, Proprietor of RBC Cable Master System, dated October 15, 2024, requesting for the renewal of RBC Cable Master System Franchise.
3. During the initial meeting on the matter, Mr. Ordillos, RBC Cable Master System Representative, informed the committee that they have already filed a Motion to Withdraw the case for Nullity of Tax Assessment that they have filed against the City Government, docketed as Civil Case No. 8677, in view of their intention to apply for the renewal of their franchise with the City Government and to pay their tax dues.
4. The committee have decided to wait for the Order of the Court in the said Motion to Withdraw filed by RBC Cable Master System and have requested that they be given a copy of the said Order before considering their request for the renewal of its franchise.
5. Subsequently, a copy of said Order dated September 25, 2024, issued by the Regional Trial Court (RTC) Branch 10, dismissing Civil Case No. 8677 without prejudice, titled "RBC Cable Master System, represented by Engr. Reynaldo B. Cinense, versus City Government of Tuguegarao City and Mr. Buenaventura F. Lagundi, in his capacity as City Treasurer," for Nullity of Tax Assessment, was furnished to the committee.
6. The committee met again and Mr. Cinense sought the consideration of his pending application and further appealed for a reduction of tax including surcharges and penalties due from him. The committee advised him to formally address his concerns to the Local Chief Executive.
7. The Local Chief Executive endorsed to the Ninth City Council the letter of Engr. Cinense dated December 19, 2024 about the latter's seeking consideration on his pending franchise application and his further appeal for the condonation of tax interest and surcharges imposed

- by the City Treasurer's Office and his proposal that payment of his outstanding franchise tax be made in twelve (12) monthly installments beginning January 2025.
8. Another indorsement by the Local Chief Executive is the Letter-Recommendation of Atty. Roderick S. Iquin, City Legal Officer, dated December 27, 2024 on Payment of Franchise Tax Concerns of RBC Cable Master System, citing Section 458 (a)(2)(ii) of the Local Government Code of 1991 which provides that the Sangguniang Panlungsod has the authority to grant tax exemption, incentives, or reliefs, and further recommending, among others, that the request of RBC Cable Master System be forwarded to the 9<sup>th</sup> City Council for their consideration.
  9. The Committee met to discuss again the merits of requests on January 21, 2025. During the said meeting:
    - Mr. Buenaventura F. Lagundi, informed, among others, that the franchise tax due from RBC Cable Master System including interest and surcharges from 2007-2024 amounts to P2,915,514.92. A copy of the RBC Cable Master System's Statement of Assessment and Computation of Franchise Tax issued by the City Treasurer's Office was furnished to the committee.
    - The following were the manifestations of Mr. Cinense, among others: they were not able to apply for the renewal of their franchise after its expiration in 2019 due to the pandemic and they have continuously provided its services and imposed no disconnection during the pandemic, and their reason for their non-payment of the franchise tax stemmed from their understanding that the operation of a Cable TV System only requires an indorsement for a Provisional Authority to Operate by the National Telecommunication Commission (NTC) and they have filed a case for Nullity of Tax Assessment against the City Government, on the belief that they are not liable to pay franchise tax with the City Government.
    - The committee advised Mr. Cinense to coordinate with the city treasurer and city legal officer and for them to come up with a Compromise Agreement with regard the total amount due from Mr. Cinense, and to inform the committee about this.
  10. Mr. Cinense forwarded his letter to the 9<sup>th</sup> City Council reiterating his willingness to settle the franchise tax due from him for a period of 12 months and his request for the condonation of the surcharges and penalties.
  11. The committee met again on March 18, 2025. Atty. Iquin informed the body that he and the city treasurer have agreed on the following:
    - Condonation of the surcharges (Php385,586.62) and interests (Php987,581.84), and the payment of tax due from Mr. Cinense from 2007 to 2024 amounting to Php1,542,346.46 payable monthly until December 2025; and
    - In case the check issued by the RBC Cable Master System to the Tuguegarao City Government would be returned for the SECOND TIME, it would automatically result in the revocation of the franchise issued to RBC Cable Master System.


## **RECOMMENDATIONS:**

After thorough discussions and finding the requests to be in order, with merit and beneficial to the city government and its constituents, the Committee of the Whole recommends the following:

1. Passage of an Ordinance Granting Amnesty on the Payment of the Accrued Interest/Surcharges on the Unpaid Franchise Tax of RBC Cable Master System; and
2. Passage of an Ordinance Granting the Renewal of the Legislative Franchise of RBC Cable Master System to operate for a period of twenty- five (25) years, renewable every after five (5) years and with a franchise fee of fifty thousand pesos (P50,000.00), subject to the following conditions:


1. Payment of tax due from 2007 to 2024 in the amount of One Million Five Hundred Forty Two Thousand Three Hundred Forty Six and forty six centavos (P1,542,346.46) as per RBC Cable Master System's Statement of Assessment and Computation of Franchise Tax issued by the City Treasurer's Office;
2. Waiver of surcharges amounting to Three Hundred Eighty- Five Thousand Five Hundred Eighty Six and 62 centavos (P385,586.62) and interest amounting to Nine Hundred Eighty Seven Thousand Five Hundred Eighty One and Eighty Four Centavos P987,581.84 imposed on RBC Cable Master System;
3. Payment shall be made through checks payable to the City Government in ten monthly installments or One Hundred Fifty- Four Thousand Two Hundred Thirty Four Pesos and Sixty Four centavos (P154,234.64), starting on March, 2025 until December 2025.
4. In case the check issued by the RBC Cable Master System to the Tuguegarao City Government would be returned for the SECOND TIME, it would automatically result in the revocation of the franchise issued to RBC Cable Master System.

Respectfully submitted:

  
**HON. BIENVENIDO C. DE GUZMAN II**  
Chairman


  
**HON. MARK ANGELO B. DAYAG**  
Member


  
**HON. MARIA ROSARIO B. SORIANO**  
Member

  
**HON. RONALDO S. ORTIZ**  
Member

  
**HON. IMOGEN CLAIRE M. CALLANGAN**  
Member

  
**HON. GILBERT S. LABANG**  
Member

  
**HON. JUDE T. BAYONA**  
Member

  
**HON. KARINA S. GAUANI-VIERNES**  
Member

  
**HON. ARNEL T. ARUGAY**  
Member

**HON. GRACE B. ARAGO**  
Member

  
**HON. TIRSO V. MANGADA**  
Member

**HON. MARC ALDOUS C. BACCAY**  
Member

  
**HON. RESTITUTO C. RAMIREZ**  
Member

**HON. CERENE PEARL T. QUILANG**  
Member



**DRAFT ORDINANCE GRANTING A NON- EXCLUSIVE FRANCHISE TO OPERATE  
AND MAINTAIN A CABLE SYSTEM IN TUGUEGARAO CITY TO RBC CABLE  
MASTER SYSTEM**

**WHEREAS**, Section 458(a)(3) of Republic Act No. 7160, otherwise known as The Local Government Code of 1991, empowers the Sangguniang Panlungsod to enact ordinances granting franchises, upon such conditions and for such purposes intended to promote the general welfare of the inhabitants of the City;

**WHEREAS**, Section 458(a)(3)(vii) of Republic Act No. 7160, otherwise known as The Local Government Code of 1991, further empowers the Sangguniang Panlungsod, upon approval by a majority vote of all its members, to grant a franchise to any person, partnership, corporation, or cooperative to do business within the city;

**WHEREAS**, the RBC Cable Master System is the primary provider of cable television network in the City since the grant of their Municipal Franchise in 1994;

**WHEREAS**, the franchise of the RBC Cable Master System has expired in 2019;

**WHEREAS**, the RBC Cable Master System has expressed their intention to renew their franchise so they can continue to operate and maintain their cable system in the City;

**NOW, THEREFORE**, be it **ORDAINED** by the Sangguniang Panlungsod, in session assembled, to enact:

**Section 1. TITLE.** This Ordinance shall be known as “**AN ORDINANCE GRANTING FRANCHISE TO RBC CABLE MASTER SYSTEM**”.

**Section 2. SCOPE.** The franchise granted by the Sangguniang Panlungsod shall cover the operation and maintenance of a cable system within Tuguegarao City.

**Section 3. FRANCHISE GRANT.** The Ninth City Council of Tuguegarao City hereby grants to RBC Cable Master System a franchise for the operation and maintenance of a cable system within the City of Tuguegarao.

**Section 4. DURATION.** Unless sooner revoked or cancelled by the issuing authority upon valid and lawful grounds, the franchise shall have a duration of twenty- five (25) years, renewable after every five (5) years.

**Section 5. FRANCHISE FEE.** Aside from the taxes and fees imposed by the City Government pursuant to City Ordinance No. 07-2011, or the Revenue Code of Tuguegarao City, the RBC Cable Master System shall pay a franchise fee amounting to FIFTY THOUSAND PESOS (P50,000.00). The payment will be done in five (5) yearly equal installment and to be paid not later than January 20 of each year.

**Section 6. OBLIGATION OF THE RBC CABLE MASTER SYSTEM.** It is the obligation of the RBC Cable System to apply and secure the required business permit to operate and other requirements required by the City Government.

**Section 7. PROHIBITION ON SALE, LEASE AND TRANSFER OF FRANCHISE.** RBC Cable Master System shall be prohibited from selling, leasing and transferring their franchise to other individuals or entities.

**Section 8. CONDITIONS.** Non- payment of franchise fee shall be a ground for revocation of their franchise.

**Section 9. SEPARABILITY CLAUSE.** In case any provision of this ordinance is declared null and void by competent court, such shall not affect the remaining provisions.

**Section 10. REPEALING CLAUSE.** Any and all resolutions or ordinances or parts thereof not consistent with the provisions of this ordinance are hereby repealed.

**Section 11. EFFECTIVITY CLAUSE.** This Ordinance shall take effect ten (10) days after a copy thereof is posted within the vicinity of the City Government and on conspicuous places.



**DRAFT ORDINANCE WAIVING/ CONDONING THE  
PENALTIES/SURCHARGES/INTERESTS OF THE UNPAID TAXES OF RBC CABLE  
MASTER SYSTEM INCURRED FROM YEAR 2007-2024**

**WHEREAS**, the RBC Cable Master System is the primary provider of cable television network in the City since the grant of their Municipal Franchise in 1994;

**WHEREAS**, the RBC Cable Master System failed to renew their franchise which expired on 2019 primarily because of the pandemic;

**WHEREAS**, the RBC Cable Master System has filed a Case for Nullity of Tax Assessment against the City Government, before the Regional Trial Court in Tuguegarao City, on the belief that they are not liable to pay for the Franchise Taxes being charged by the City Government upon them;

**WHEREAS**, in view of their intention to renew their franchise and to pay their tax dues to the City Government, they have manifested the withdrawal of the case for Nullity of Tax Assessment that they have filed against the City Government;

**WHEREAS**, on September 25, 2024, the Regional Trial Court Branch 10 issued an order granting the dismissal of the case filed by the RBC Cable Master System against the City Government for Nullity of Tax Assessment without prejudice;

**WHEREAS**, after a series of meetings and deliberations with the RBC, the City Treasurer and the City Legal Officer, they have agreed on the waiver of the penalties, interests and surcharges of the RBC Cable Master System and have recommended to the City Council for the waiver of the said penalties, interests and surcharges;

**WHEREAS**, Section 458(a)(2)(ii) of Republic Act 7160, otherwise known as the Local Government Code of 1991, empowers the Sangguniang Panlungsod, upon majority vote of all the members, to enact ordinances granting tax exemptions, incentives or reliefs;

**WHEREAS**, in granting the waiver of the Penalties, Surcharges and Interests due to the RBC Cable Master System, the City Council has taken into consideration their contribution to our city, such that during the pandemic, no disconnections were enforced on their subscribers despite their non- payment of monthly dues;

**NOW, THEREFORE**, be it **ORDAINED** by the Sangguniang Panlungsod, in session assembled, to enact:

**Section 1. TITLE.** This Ordinance shall be known as, “AN ORDINANCE WAIVING THE PENALTIES, SURCHARGES AND INTERESTS OF RBC CABLE MASTER SYSTEM INCURRED FROM YEAR 2007- 2024.”

**Section 2. LIABILITY OF RBC CABLE MASTER SYSTEM.** Based on the Statement of Assessment and Computation (Franchise Tax) submitted by the Office of the Treasurer and herein attached as Annex A of this Ordinance, the total tax due of the RBC Cable Master System from year 2007- 2024 is as follows:

Tax Due- P1,542,346.46  
Surcharge- P385,586.62  
Interest- P987,581.84  
Total Tax Due- P2,915,514.92



Republic of the Philippines  
Province of Cagayan  
TUGUEGARAO CITY

OFFICE OF THE CITY TREASURER

Annex 'A'



STATEMENT OF ASSESSMENT AND COMPUTATION (FRANCHISE TAX)

As of December, 2024

Business Name: RBC CABLE MASTER SYSTEM

Business Plate No.: 1212

Owner/AH/Position: MR. REYNALDO B. CINENSE-Manager

Line of Business: Contractor

Business Address: #19 Luna St. Extension, Ugac Norte, Tuguegarao City

Description:

YEAR	TAXABLE GROSS	TAX DUE (1/2 OF 1% X TAXABLE GROSS)	SURCHARGE (25% OF TAXDUE)	INTEREST (2% PER MONTH BUT NOT TO EXCEED 72%)	TOTAL TAX DUE
2024	34,389,300.54	171,946.50	42,986.63	41,267.16	256,200.29
2023	33,644,410.93	168,222.05	42,055.51	80,746.59	291,024.15
2022	28,359,614.82	141,798.07	35,449.52	102,094.61	279,342.21
2021	17,415,995.68	87,079.98	21,769.99	62,697.58	171,547.56
2020	25,726,709.69	128,633.55	32,158.39	92,616.15	253,408.09
2019	20,269,320.42	101,346.60	25,336.65	72,969.55	199,652.81
2018	18,671,136.41	93,355.68	23,338.92	67,216.09	183,910.69
2017	15,754,454.00	78,772.27	19,693.07	56,716.03	155,181.37
2016	18,469,960.15	92,349.80	23,087.45	66,491.86	181,929.11
2015	17,559,101.92	87,795.51	21,948.88	63,212.77	172,957.15
2014	13,004,592.55	65,022.96	16,255.74	46,816.53	128,095.24
2013	11,804,280.37	59,021.40	14,755.35	42,495.41	116,272.16
2012	11,300,318.18	56,501.59	14,125.40	40,681.15	111,308.13
2011	10,800,256.00	54,001.28	13,500.32	38,880.92	106,382.52
2010	8,928,800.00	44,644.00	11,161.00	32,143.68	87,948.68
2009	7,891,486.96	39,457.43	9,864.36	28,409.35	77,731.15
2008	7,479,554.35	37,397.77	9,349.44	26,926.40	73,673.61
2007	7,000,000.00	35,000.00	8,750.00	25,200.00	68,950.00
		1,542,346.46	385,586.62	987,581.84	2,915,514.92

Prepared by:

  
EVELYN L. CANAPI  
LTOO III

Reviewed and Approved by:

  
BUENAVENTURA F. LAGUNDI  
City Treasurer