

### Title:

**\*\*Batangas CATV, Inc. vs. Court of Appeals and Others: A Study on Local Government Unit's Authority to Regulate CATV Subscriber Rates\*\***

### Facts:

In 1986, the Sangguniang Panlungsod of Batangas City granted Batangas CATV, Inc. a permit to operate a CATV system with the condition that any rate increase would require its approval. Subsequently, in 1993, Batangas CATV, Inc. raised its rates without securing this approval, leading the City Mayor to threaten permit cancellation. Batangas CATV, Inc. sued in the RTC, invoking the NTC's sole authority over CATV rates per Executive Order No. 205. The RTC sided with Batangas CATV, Inc., but upon appeal, the Court of Appeals reversed the RTC's decision, reinstating the Sangguniang Panlungsod's authority based on the General Welfare Clause. Batangas CATV, Inc. then appealed to the Supreme Court.

### Issues:

1. Whether a Local Government Unit (LGU) can regulate the subscriber rates of CATV operators within its jurisdiction.
2. Whether the General Welfare Clause authorizes the Sangguniang Panlungsod to regulate the service rates of CATV operators, potentially conflicting with the NTC's regulatory authority.

### Court's Decision:

The Supreme Court ruled in favor of Batangas CATV, Inc., affirming the RTC's decision and reversing the Court of Appeals. The decision stressed that while LGUs have general welfare powers, the regulation of CATV operations, particularly rate fixation, falls exclusively within the NTC's purview under Executive Orders No. 205 and No. 436. It clarified that LGUs cannot overshadow national policy or violate laws granting exclusive regulatory authority to national agencies like the NTC. The decision also highlighted that the local resolution could not contract or expand upon the powers specifically designated to the NTC by law.

### Doctrine:

The decision established that the regulatory power over CATV systems, including the fixation of subscriber rates, lies solely with the National Telecommunications Commission (NTC), not with Local Government Units. This emanates from a clear mandate via Executive Order No. 205. LGUs cannot enact regulations that conflict with the exclusive powers granted to national agencies or contrary to national policies, such as the state's deregulation policy regarding CATV operations.

### Class Notes:

- LGUs possess general welfare powers to enact ordinances for public health, safety, and welfare but cannot regulate areas expressly under the purview of national agencies like the NTC.
- The regulation of CATV systems, including rate fixing, is a technical matter exclusively managed by the NTC.
- Executive Orders have the force of law and can delegate regulatory powers exclusively to specific national bodies.
- Deregulation policies aim to encourage private sector participation by minimizing governmental control over business operations, particularly in developing industries such as telecommunications.

### Historical Background:

The CATV (Community Antenna Television) system's regulatory authority has evolved from local governance to the national government's purview to foster a unified and efficient regulatory framework. This case illustrates the continuing adaptation of legal frameworks to technological advancements and the balancing act between local autonomy and national oversight in regulatory affairs.