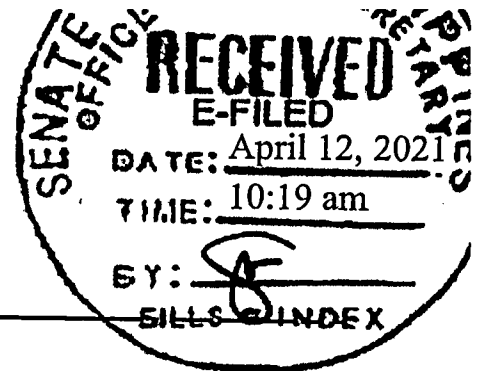


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )

SENATE  
S. No. 2130



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Introduced by Senator Grace Poe

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**AN ACT  
PROMOTING THE GROWTH AND DEVELOPMENT OF THE CABLE TELEVISION  
(CATV) AND DIRECT-TO-HOME TELEVISION (DTH) INDUSTRY AND FOR  
OTHER PURPOSES**

*Explanatory Note*

The 1987 Constitution recognizes the vital role of communication and information in nation-building<sup>1</sup> and instructs the State to give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development.<sup>2</sup>

The Constitution also promotes access to quality education by all Filipinos and mandates the State to take appropriate steps to make such education accessible to all.<sup>3</sup> Education is undoubtedly one of the main pillars of our Constitution as it encourages non-formal, informal, and indigenous learning systems, as well as self-learning, independent, and out-of-school study programs particularly those that respond to community needs.<sup>4</sup>

These vital state policies will be realized by the passage of this bill into law. The measure at hand clarifies the governance model of all cable television (CATV) and direct-to-home television (DTH) providers in the country. It addresses the gaps identified in Executive Order No. 205 (1987) and Executive Order No. 436 (1997) and makes certain the role of governing agencies like the National Telecommunications Commission, National Economic and Development Authority, Board of Investments, Department of Trade and Industry, and both the National and Local Government Units in its operations.

The measure also requires CATV operators to reserve at least one public, educational, and government access (PEGA) channel for the use of the national government, and another one for the use of the local government unit where the

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<sup>1</sup> Const. (1987), art. II, § 17.

<sup>2</sup> Const. (1987), art. II, § 24.

<sup>3</sup> Const. (1987), art. XIV, § 1.

<sup>4</sup> Const. (1987), art. XIV, § 2(4).

CATV subscribers reside. Meanwhile, DTH operators are also required to reserve at least one PEGA channel for the use of the national government. By providing additional sources of instructional information and academic materials, education becomes more accessible for many Filipinos, especially those living in areas where a traditional school system is not established or difficult to come by.

Furthermore, our country's struggles in the previous year in dealing with a global pandemic and weathering typhoons have proven that we must squarely address the need of our people for more sources of news and relevant information regarding these calamities. By democratizing the CATV and DTH Industry, Filipinos will gain more sources from which they could get important news and relevant information to better prepare in case calamities of such magnitude strike once again.

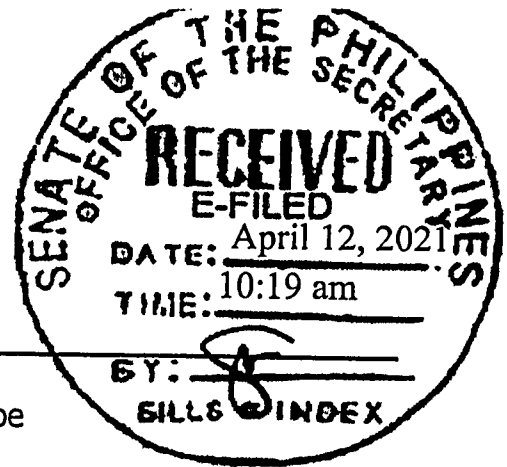
I file this bill fully confident that its approval will mark a huge difference in the lives of many Filipinos, especially those residing in underdeveloped areas and belonging to underserved communities.

In view of the foregoing, immediate passage of this bill is earnestly sought.

  
GRACE POE

EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
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SENATE  
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**AN ACT**  
**PROMOTING THE GROWTH AND DEVELOPMENT OF THE CABLE TELEVISION**  
**(CATV) AND DIRECT-TO-HOME TELEVISION (DTH) INDUSTRY AND FOR**  
**OTHER PURPOSES**

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

1           Section 1. *Short Title.* – This Act shall be known as "CATV-DTH Industry  
2 Development Act."

3           Sec. 2. *Declaration of Policy.* – The State recognizes the vital role of the cable  
4 television (CATV) and direct-to-home television (DTH) industry in nation-building, and  
5 its role in promoting national goals and aspirations of the Filipino nation.

6           Sec. 3. *Definition of Terms.* – For purposes of this Act, the following terms shall  
7 mean:

8           (a) Cable – "Cable" refers to a physical medium, such as, but not limited to,  
9           copper wire, coaxial cable, or optical fiber, that is used to deliver CATV  
10           services.

11           (b) CATV facility – A CATV facility shall be defined to mean a permanent  
12           structure, comprised of (a) all installed electrical and electronic wiring,  
13           cabling, and equipment, (b) all supporting structures, such as utility,  
14           ground network, and electrical supporting structures, and (c) satellite  
15           downlink antennas, from which CATV services are delivered to and  
16           managed for subscribers.

1 (c) CATV services – CATV services shall include cable television, which is a  
2 system of delivering television content to subscribers via electrical  
3 signals transmitted through coaxial cables, light pulses through optical  
4 fiber, or other similar means of transmission through cable, for a fee.  
5 CATV services may include the delivery of internet connectivity and ICT  
6 services. As CATV services do not form natural monopolies, CATV  
7 services shall not be defined as a utility. CATV services are not to be  
8 construed as mass media, telecommunications, or broadcast services.

9 (d) Content creator – A content creator is a natural or juridical person who  
10 creates motion pictures, television programs, video publicity materials,  
11 or cinematography or videography material.

12 (e) Content distributor – A content distributor is a natural or juridical person,  
13 such as a film distributor, broadcast syndication lessor, video sharing  
14 platform, or content distribution platform, who may not be a content  
15 creator but possesses, in whole or in part, intellectual property rights  
16 over the content, and is authorized to distribute the content to CATV and  
17 DTH operators.

18 (f) Customer Premises Equipment (CPE) – service provider equipment used  
19 to provide the subscriber with CATV or DTH services, that is located at  
20 the physical location of the subscriber.

21 (g) DTH facility – A DTH facility shall be defined to mean a permanent  
22 structure, comprised of (a) all installed electrical and electronic wiring,  
23 cabling, and equipment, (b) all supporting structures, such as utility,  
24 ground network, and electrical supporting structures, and (c) satellite  
25 uplink and downlink antennas, from which DTH services are managed  
26 for subscribers.

27 (h) DTH services – DTH services shall include direct-to-home satellite  
28 television, which is a system of delivering television content to  
29 subscribers via radio-frequency signals transmitted by a satellite to a  
30 receive-only system at the location of the subscriber within the satellite  
31 footprint, for a fee. For purposes of this Act, the delivery of a television  
32 receive-only (TVRO) service, for a fee, shall also be defined as a DTH

1 service. DTH services may include the delivery of internet connectivity  
2 and ICT services. As DTH services do not form natural monopolies, DTH  
3 services shall not be defined as a utility. DTH services are not to be  
4 construed as mass media, telecommunications, or broadcast services.

5 (i) Passive infrastructure operator – an entity, that may be a power, water,  
6 sewerage or other public utility, a telecommunications company, a CATV  
7 services operator, a local cooperative, a municipal corporation, or a  
8 property developer that owns utility poles, streetlamp posts,  
9 microtrenches, underground culverts, shared utility corridors, and other  
10 related support structures, and/ or controls rights of way used or useful,  
11 in whole or in part, in the provision of CATV services,  
12 telecommunications, and utilities.

13 (j) Public, educational, and government access (PEGA) television channel -  
14 a PEGA channel is a not-for-profit channel used for television  
15 programming for purposes of information dissemination, public service,  
16 public health, public safety, education, tourism, culture, the arts, disaster  
17 risk reduction and management, and other matters of public interest and  
18 public welfare.

19 *Sec. 4. Qualifications of a CATV operator.* – The provision of CATV services in  
20 the Philippines shall be open to all citizens of the Philippines, or to corporations,  
21 cooperatives, or associations subject to the relevant provisions of the Public Service  
22 Act governing public services, under a Certificate of Authority to Provide Local CATV  
23 Services granted by the National Telecommunications Commission (NTC) Regional  
24 Office having jurisdiction over the place of business registration of the CATV operator.  
25 The business of a CATV operator shall be registered in the city or municipality where  
26 its primary CATV facility is to be operated, and shall pay business, income, and other  
27 relevant taxes to the local Revenue District Office where its CATV services are to be  
28 offered.

29 *Sec. 5. Qualifications of a DTH operator.* – The provision of DTH services in the  
30 Philippines shall be open to all citizens of the Philippines, or to corporations,  
31 cooperatives, or associations subject to the relevant provisions of the Public Service  
32 Act governing public services, under a Certificate of Authority to Provide DTH Services

1 granted by the National Telecommunications Commission (NTC) Regional Office  
2 having jurisdiction over the place of business registration of the DTH operator. The  
3 business of a DTH operator shall be registered in the city or municipality where the  
4 primary DTH facility is to be operated, and shall pay business, income, and other  
5 relevant taxes to the local Revenue District Office having jurisdiction over the primary  
6 DTH facility.

7       **Sec. 6. *Service Area.*** – A Certificate of Authority to Provide Local CATV Services  
8 shall authorize a CATV operator to offer CATV services within a city or municipality on  
9 a non-exclusive basis. A Certificate of Authority to Provide DTH Services shall authorize  
10 a DTH operator to offer DTH services on a non-exclusive basis anywhere in the  
11 Philippines that is covered by its satellite footprint. Consistent with existing competition  
12 law, there shall be no limit to the number of CATV or DTH operators authorized to  
13 offer services in a service area.

14       **Sec. 7. *Coverage of Certificate of Authority.*** – A Certificate of Authority shall be  
15 valid for a period of not to exceed ten (10) years, renewable for another similar period.  
16 A Certificate of Authority governing a service area shall not be granted on an exclusive  
17 basis. The NTC shall require the possession of a Certificate of Authority by the CATV  
18 or DTH operator for the issuance of the relevant licenses to use the radio frequency  
19 spectrum in its operations.

20       **Sec. 8. *Provisional Authority for New Service Areas Only.*** – A Provisional  
21 Authority shall be valid for a period of not to exceed ten (5) years, governing a new  
22 service area where the CATV or DTH operator shall be offering services. A Provisional  
23 Authority shall not be renewable, and the grantee of a Provisional Authority must apply  
24 for a Certificate of Authority to continue operations.

25       **Sec. 9. *Advertising and Paid Segments.*** – Subject to provisions of this Act and  
26 other relevant laws, CATV and DTH operators may carry advertisements and other  
27 similar paid segments for which the CATV or DTH operator may charge and collect  
28 reasonable fees.

29       **Sec. 10. *Classification as to size.*** – Based on the number of subscribers it has,  
30 a CATV or DTH operator shall be classified into one of the following categories:

31               (a) Very Large CATV or DTH operator – over 500,000 subscribers;

32               (b) Large CATV or DTH operator – between 150,000 to 500,000 subscribers;

- 1 (c) Medium CATV or DTH operator – between 50,000 to 150,000;
- 2 (d) Small CATV or DTH operator – between 10,000 to 50,000 subscribers;
- 3 (e) Very small CATV or DTH operator – less than 10,000 subscribers, or;
- 4 (f) Community CATV or DTH operator – less than 1,000 subscribers.

5 The National Economic Development Authority (NEDA) and the Board of  
6 Investments (BOI) of the Department of Trade and Industry (DTI) are authorized to  
7 recommend to the appropriate agencies the grant of incentives for the establishment,  
8 growth, and development of Community and Very Small CATV-DTH operators.

9 *Sec. 11. Relationship with content creators.* – CATV and DTH operators shall  
10 comply with the Intellectual Property Code and other laws governing the transmission  
11 and broadcast of intellectual property and the prevention of piracy.

12 Unless the right is assigned to the CATV or DTH operator by the content  
13 creator, no CATV or DTH operator shall infringe on broadcast television markets by  
14 inserting advertisements in the programs it carries or retransmits without the consent  
15 of the content creator concerned.

16 Consistent with existing laws prohibiting child pornography, CATV and DTH  
17 operators shall not transmit child pornography content or online sexual abuse and  
18 exploitation of children (OSEAC) content.

19 *Sec. 12. Relationship with content distributors.* – CATV and DTH operators shall  
20 comply with the Intellectual Property Code and other laws governing the  
21 retransmission and rebroadcast of intellectual property whose distribution rights have  
22 been assigned by a content creator to a content distributor, and the prevention of  
23 piracy of such intellectual property.

24 If the right is assigned by a content creator to a content distributor, no CATV  
25 or DTH operator shall infringe on broadcast television markets by inserting  
26 advertisements in the programs it carries or retransmits without the consent of the  
27 content distributor concerned.

28 Consistent with existing laws prohibiting child pornography, CATV and DTH  
29 operators shall not retransmit child pornography content or online sexual abuse and  
30 exploitation of children (OSEAC) content. CATV and DTH operators shall report content  
31 distributors providing child pornography content or online sexual abuse and  
32 exploitation of children (OSEAC) content to the relevant authorities.

1           **Sec. 13. *Relationship with national government and local government.*** – A CATV  
2 operator shall reserve at least one (1) PEGA channel for the use of the national  
3 government, and one (1) PEGA channel for the use of the local government unit where  
4 the CATV subscribers reside.

5           A DTH operator shall reserve at least one (1) PEGA channel for the use of the  
6 national government. A DTH operator may opt to, but is not obligated to, reserve one  
7 (1) PEGA channel for the use of the local government unit where the majority of its  
8 subscribers reside.

9           The use and management of CATV and DTH PEGA channels shall be governed  
10 by a CATV-DTH PEGA Channel Use Code developed for this purpose by a body chaired  
11 by the Department of Information and Communications Technology (DICT) and  
12 composed of CATV and DTH operators and national and local government  
13 stakeholders.

14           National government stakeholders for the development of the CATV-DTH PEGA  
15 Channel Code shall be composed of representatives from the Office of the Senate  
16 President, the Office of the Speaker of the House of Representatives, the Office of the  
17 Chief Justice of the Supreme Court, the Presidential Communications Operations Office  
18 (PCOO), the Department of Education (DepEd), the Commission on Higher Education  
19 (CHED), the Technical Education and Skills Development Authority (TESDA), the  
20 Department of Health (DOH), the Department of Social Welfare and Development  
21 (DSWD), and the National Telecommunications Commission (NTC) Commissioner.

22           Local government stakeholders for the development of the CATV-DTH PEGA  
23 Channel Use Code shall be composed of representatives from the League of Cities, the  
24 League of Municipalities, the League of Provinces, the Commission on Elections  
25 (COMELEC), the National Disaster Risk Reduction and Management Council  
26 (NDRRMC), the Department of Interior and Local Government (DILG), the Department  
27 of Agriculture (DA), the Department of Tourism (DoT), the National Commission for  
28 Culture and the Arts (NCCA), the National Commission on Indigenous Peoples (NCIP),  
29 the Commission on Human Rights (CHR), the National Council on Disability Affairs  
30 (NCDA), and the National Telecommunications Commission (NTC) Regional Directors.

31           Revisions of the CATV-DTH PEGA Channel Use Code shall be proposed by any  
32 CATV or DTH operator, or any member of the public, and shall be approved by the



1 majority of the body composed of CATV and DTH operators, and national and local  
2 government stakeholders, voting separately.

3 CATV and DTH operators may form a non-profit organization for the  
4 implementation of the CATV-DTH PEGA Channel Use Code and for other purposes;  
5 provided that, the main source of funding for the non-profit organization shall be  
6 donations by CATV or DTH operators and other donors; provided further, that such  
7 donations shall be exempt from tax.

8 For purposes of additional funding, Congress may, voting separately, approve  
9 the collection of a non-taxable fund not exceeding one peso per subscriber of CATV  
10 or DTH services; provided that, the collection shall be charged only to current  
11 subscribers of CATV or DTH services; provided further, that the non-profit organization  
12 may only make a request to Congress for funding no earlier than five (5) years after  
13 a previous request, and; provided finally, that the funds shall be used exclusively for  
14 the implementation of the CATV-DTH PEGA Channel Use Code

15 .Sec. 14. *Relationship with passive infrastructure operators.* – Consistent with  
16 the provisions of existing law, CATV operators shall be allowed non-discriminatory  
17 access to infrastructure owned or controlled by passive infrastructure operators,  
18 subject to relevant regulations, recognized standards of safety, industry best practices,  
19 and generally accepted engineering principles.

20 Sec. 15. *Special right of government.* – A special right is hereby reserved to the  
21 President of the Philippines, in times of war, rebellion, public peril or other national  
22 emergency and/or when public safety requires, to cause the closure of any CATV or  
23 DTH operator or to authorize the use or possession thereof by the government without  
24 compensation.

25 Sec. 16. *Prohibited Acts and Penalties.* –

26 (a) Sections 4 and 5 of Republic Act No. 10515, or the "Anti-Cable Television  
27 and Cable Internet Tapping Act of 2013", are adopted in their entirety,  
28 mutatis mutandis.

29 (b) Consistent with the provisions of Republic Act No. 10667, or the  
30 "Philippine Competition Act", the Philippine Competition Commission  
31 (PCC) shall impose fines and penalties for anti-competitive behaviors  
32 committed by or against a CATV or DTH operator.

1 (c) Consistent with the provisions of Republic Act No. 7394, or the  
2 "Consumer Act of the Philippines of 1991" and other laws protecting  
3 consumer rights, the Department of Trade and Industry shall impose  
4 fines and penalties related to misfeasance, nonfeasance, and  
5 malfeasance of the terms of contracts between CATV and DTH operators  
6 and third parties, and of the terms of subscription contracts of CATV and  
7 DTH subscribers, under the Consumer Act and other relevant laws.

8 (d) The National Telecommunications Commission (NTC) shall impose fines  
9 and administrative penalties related to poor quality of service delivered  
10 by a CATV or DTH operator to a subscriber, which include but are not  
11 limited to outages, poor signal reception, or poor quality of add-on and  
12 value-added services, that are within the control of the CATV or DTH  
13 operator.

14 Fines and administrative penalties for poor quality of service shall not exceed  
15 the value of three (3) months of the maximum subscription cost offered to the public,  
16 for every subscriber affected, for every day or fraction per day of outage or poor  
17 quality of service. Penalties for unlawful or criminal behavior committed by or against  
18 a CATV or DTH operator shall be consistent with the provisions of existing law.

19 *Sec. 17. Preparation of Implementing Rules and Regulations (IRR).* – Within  
20 180 days of approval of this Act, the National Telecommunications Commission (NTC),  
21 the Bureau of Internal Revenue (BIR), and the Department of Trade and Industry  
22 (DTI) shall publish the IRR for the implementation of this act in a Joint Memorandum  
23 Circular.

24 Within 30 days of publication of the IRR, the BIR shall publish a Revenue  
25 Memorandum Circular for the implementation of this Act.

26 Within 30 days of publication of the IRR, the DTI shall publish a Memorandum  
27 Circular for the implementation of fines and administrative penalties related to  
28 business-to-business and subscription contracts related to CATV and DTH services  
29 under this Act, the Consumer Act and other relevant laws.

30 Within 30 days of publication of the IRR, the NTC shall publish a Memorandum  
31 Circular for the implementation of fines and administrative penalties related to the  
32 quality of CATV and DTH services under this Act and other relevant laws.

1           Within two (2) years of the approval of this Act, the CATV-DTH Government  
2 Channel Use Code shall be published. Revisions to this Code shall be published no  
3 later than thirty (30) days after approval.

4           Sec. 18. *Separability clause.* – If any provision or part hereof is held invalid or  
5 unconstitutional, the remainder of the law or the provisions not otherwise affected  
6 shall remain valid and subsisting.

7           Sec. 19. *Repealing clause* – Any law, presidential decree or issuance, executive  
8 order, letter of instruction, administrative order, rule, or regulation contrary to, or  
9 inconsistent with, the provisions of this Act, is hereby repealed, modified, or amended  
10 accordingly. EO 205 series of 1987 and EO 436 series of 1997 are hereby repealed.

11           Sec. 20. *Effectivity clause.* – This Act shall take effect fifteen (15) days after  
12 its online publication in the Official Gazette. Within seven (7) days after its online  
13 publication, this Act shall be published on (2) newspapers of general circulation.

Approved,