

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 JUL 13 P4:36

SENATE
S. No. 539

RECEIVED BY: 

Introduced by Senator Grace Poe

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-building¹ 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.²

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.³ 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.⁴

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

¹ Const. (1987), art. II, § 17.

² Const. (1987), art. II, § 24.

³ Const. (1987), art. XIV, § 1.

⁴ Const. (1987), art. XIV, § 2(4).

government, and another one for the use of the local government unit where the 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.



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*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
4 cable television (CATV) and direct-to-home television (DTH) industry in nation-
5 building, and its role in promoting national goals and aspirations of the Filipino
6 nation.

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

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

12 (b) CATV facility – A CATV facility shall be defined to mean a permanent
13 structure, comprised of (a) all installed electrical and electronic wiring,
14 cabling, and equipment, (b) all supporting structures, such as utility,
15 ground network, and electrical supporting structures, and (c) satellite
16 downlink antennas, from which CATV services are delivered to and
17 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
13 person, such as a film distributor, broadcast syndication lessor, video
14 sharing platform, or content distribution platform, who may not be a
15 content creator but possesses, in whole or in part, intellectual property
16 rights over the content, and is authorized to distribute the content to
17 CATV and DTH operators.
- 18 (f) Customer Premises Equipment (CPE) – service provider equipment
19 used to provide the subscriber with CATV or DTH services, that is
20 located at 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,
3 DTH services shall not be defined as a utility. DTH services are not to
4 be construed as mass media, telecommunications, or broadcast
5 services.

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

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

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

30 *Sec. 5. Qualifications of a DTH operator.* – The provision of DTH services in
31 the Philippines shall be open to all citizens of the Philippines, or to corporations,
32 cooperatives, or associations subject to the relevant provisions of the Public Service

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

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

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

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

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

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

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

- 1 (b) Large CATV or DTH operator – between 150,000 to 500,000
2 subscribers;
- 3 (c) Medium CATV or DTH operator – between 50,000 to 150,000;
- 4 (d) Small CATV or DTH operator – between 10,000 to 50,000 subscribers;
- 5 (e) Very small CATV or DTH operator – less than 10,000 subscribers, or;
- 6 (f) Community CATV or DTH operator – less than 1,000 subscribers.

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

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

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

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

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

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

31 Consistent with existing laws prohibiting child pornography, CATV and DTH
32 operators shall not retransmit child pornography content or online sexual abuse and

1 exploitation of children (OSEAC) content. CATV and DTH operators shall report
2 content distributors providing child pornography content or online sexual abuse and
3 exploitation of children (OSEAC) content to the relevant authorities.

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

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

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

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

26 Local government stakeholders for the development of the CATV-DTH PEGA
27 Channel Use Code shall be composed of representatives from the League of Cities,
28 the League of Municipalities, the League of Provinces, the Commission on Elections
29 (COMELEC), the National Disaster Risk Reduction and Management Council
30 (NDRRMC), the Department of Interior and Local Government (DILG), the
31 Department of Agriculture (DA), the Department of Tourism (DoT), the National
32 Commission for Culture and the Arts (NCCA), the National Commission on

1 Indigenous Peoples (NCIP), the Commission on Human Rights (CHR), the National
2 Council on Disability Affairs (NCDA), and the National Telecommunications
3 Commission (NTC) Regional Directors.

4 Revisions of the CATV-DTH PEGA Channel Use Code shall be proposed by
5 any CATV or DTH operator, or any member of the public, and shall be approved by
6 the majority of the body composed of CATV and DTH operators, and national and
7 local government stakeholders, voting separately.

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

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

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

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

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

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

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

8 (c) Consistent with the provisions of Republic Act No. 7394, or the
9 "Consumer Act of the Philippines of 1991" and other laws protecting
10 consumer rights, the Department of Trade and Industry shall impose
11 fines and penalties related to misfeasance, nonfeasance, and
12 malfeasance of the terms of contracts between CATV and DTH
13 operators and third parties, and of the terms of subscription contracts
14 of CATV and DTH subscribers, under the Consumer Act and other
15 relevant laws.

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

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

28 *Sec. 17. Preparation of Implementing Rules and Regulations (IRR).* – Within
29 180 days of approval of this Act, the National Telecommunications Commission
30 (NTC), the Bureau of Internal Revenue (BIR), and the Department of Trade and
31 Industry (DTI) shall publish the IRR for the implementation of this act in a Joint
32 Memorandum Circular.

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

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

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

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

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

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

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

Approved,