

Thirteenth Congress of the)
Republic of the Philippines)
Second Regular Session)

6 JUL -3 P12:14

Senate
S. B. No. 2407 RECEIVED BY: [Signature]

Introduced by Sen. Juan Ponce Enrile

EXPLANATORY NOTE

The operation of the cable TV industry is a vital technological development that has significantly helped in the fast and effective delivery of information, entertainment and other services to the Filipino public. Channels such as the CNN, BBC, Bloomberg, AXN, National Geographic Channel, Discovery Channel, HBO, Star World, Cartoon Network and Disney Channel are only some of the most popular channels which have greatly improved Filipino viewing since the programs aired over these channels are not only entertaining, but are also informative and educational.

However, the cable TV industry now faces problems such as signal theft and illegal connections. As of June 2005, the number of illegal cable subscribers was estimated at 835,000, which increased by 28% from 650,000 in the year 2004. What was also interesting to note was that the number of legitimate subscribers decreased by 15 percent, from 880,000 in 2004 to 750,000 in June 2005.

This untoward development within the industry has undoubtedly caused huge losses to the cable TV industry. Legitimate cable TV operators suffer in terms of lost market and higher programming costs. Moreover, in 2004, the industry reportedly lost P3.92 billion, almost 55% of which, or P2.13 billion, was the foregone revenue of the government in terms of taxes, import duties and licensing fees. In 2005, these industry losses already increased to P5 billion.

Hence this bill. This proposed measure seeks to address the problems in the cable TV industry by prohibiting the following acts:

- 1) to intercept or receive, or assist in intercepting or receiving, any signal or service provided by cable TV and internet systems or network by tapping or other means of unauthorized connection;
- 2) to engage in the unauthorized importation, sale, lease, distribution or possession of electronic equipment that allow for unauthorized access into the system or network of the cable TV or internet service operator;
- 3) to knowingly use or receive any direct or indirect service or other benefit from cable TV and cable internet services through the commission of any of the prohibited acts as provided in the proposed measure; and,

- 4) to wantonly, maliciously or willfully damage, destroy or remove cable TV and or cable internet facilities and accessories of authorized cable TV and cable internet service operators which results in system disruption or network degradation.

The bill provides for penalties for the violation of any of the prohibited acts and, at the same time, enjoins the National Telecommunications Commission and the Cable Television Associations in the Philippines to collectively undertake a vigorous campaign to inform the public about the merits of this legislation, when enacted.

While several local government units have already issued local ordinances to protect the industry, there is still an urgent need to enact a national legislation to better ensure the survival and sustainability of the cable TV industry.


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


JUAN PONCE ENRILE
Senator

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6 JUL -3 12:14

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AN ACT

PROHIBITING AND PENALIZING THE PILFERAGE AND THEFT, UNAUTHORIZED USE, INTERCONNECTION, OR RECEPTION OF ANY SIGNAL OR SERVICE OFFERED OVER A CABLE TELEVISION (CATV) OR CABLE INTERNET SYSTEM AND/OR NETWORK OR THROUGH ANY UNAUTHORIZED INSTALLATION, ACCESS OR CONNECTION THERETO THROUGH THE USE OF CABLE OR OTHER EQUIPMENT, AND PRESCRIBING PENALTIES THEREFOR, AND FOR OTHER PURPOSES

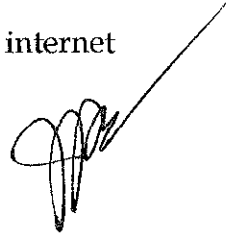
Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled

SECTION 1. Title. - This Act shall be referred to as "*The Anti Cable Television and Cable Internet Pilferage Act of 2006*".

SEC. 2. Declaration of Policy. - It shall be the policy of the State to protect the general public and legitimate operators of (a) cable television (CATV) systems and/or networks that secure programming through the reception of local and foreign satellite, as well as other electromagnetic signals, and (b) cable internet services that provide access to the world wide web through the CATV system/network, from unauthorized connection or tapping to existing facilities through wire or electromagnetic means. Only subscribers duly authorized and/or registered with the CATV and/or cable internet service operator shall be allowed to receive any service or benefit offered and/or operated over a CATV or internet system/network.

SEC. 3. Definition of Terms. - As used in this Act:

(a) Cable Television (CATV) System/Network - refers to processes and facilities associated with the delivery of signals and programs provided for by



broadcast television stations, local and foreign satellite program providers or CATV service operators, through origination, relay and reception of electronic or control signals of any design by wire, optical or other technological means for the purpose of providing multiple-channel CATV service to multiple subscribers within defined service areas.

The term shall also include electronic equipment such as digital or analog receiver-decoder boxes, set-top and converter boxes, as well as but not limited to master antennae television, satellite master antennae television, direct broadcast satellite, multi-point distribution service, a television receive-only satellite program distributor and other providers of video and audio programming;


(b) Cable Internet System/Network - refers to the processes, including electronic equipment such as modems, associated with the access to the world wide web through the facilities of the CATV system/network;

(c) Cable Television (CATV) Service Operator - refers to any person, natural or judicial, public or private, granted a Certificate of Authority/Provisional Authority as provided under existing laws, rules and regulations, to install, operate and maintain a CATV system/network and service and is actually providing such service to its subscribers;

(d) Cable Internet Service Operator - refers to any person, natural or judicial, public or private, which was issued a registration certificate as provided under existing laws, rules and regulations, to provide and facilitate access to the world wide web through a CATV system/network and is actually providing such service to its subscribers.

SEC. 4. Prohibited Acts. - It is hereby declared unlawful for any person, whether natural or judicial, public or private, to:

(a) Intercept or receive, or assist in intercepting or receiving, any signal or service offered over CATV and cable internet systems/network by tapping, making or causing to be made any unauthorized connection to existing facilities with drop, feeder, and/or trunk lines, or through the use of electronic equipment such as digital or analog receiver-decoder boxes, set-top or converter boxes, modems, or any equivalent circumvention devices or methods that allow for unauthorized access or decoding of unencrypted or encrypted satellite program signals or other electromagnetic signal, or unauthorized access into the system/network of the cable



internet service operator, or by the recording, manufacture, distribution, importation or sale, of intercepted or received CATV signals and cable internet service;

(b) Engage in the unauthorized importation, sale, lease, distribution or possession of electronic equipment such as digital or analog receiver-decoder boxes, set-top and converter boxes, modern or any equivalent circumvention devices or methods that allow for unauthorized access or decoding of unencrypted or encrypted satellite program signals or other electromagnetic signals, whether local or foreign, or unauthorized access into the system/network of the cable internet service operator;

(c) Knowingly use or receive any direct or indirect service or benefit from CATV and cable internet services through the commission of any of the preceding prohibited acts; and,

(d) Wantonly, maliciously or willfully damage, destroy or remove CATV and/or cable internet facilities and accessories of authorized CATV and cable internet service operators resulting into system disruption or network degradation.

SEC. 5. *Prima Facie* Evidence. – The presence of any of the following circumstances shall constitute *prima facie* evidence of the illegal tapping, interconnection or reception into the CATV or cable internet system/network, by the person benefited thereby, and shall be the basis for (a) the immediate disconnection by the CATV or cable internet service operator to such person after due notice; (b) the holding of a preliminary investigation by the public prosecutor and the subsequent filing in court of the pertinent information; and, (c) the lifting of any temporary restraining order or injunction which may have been issued against a CATV or cable internet service operator:

(a) The presence of drop cable, feeder and/or trunk lines from the CATV or cable internet system/network to the structure and facilities of the unauthorized person which has been confirmed by the CATV or cable internet service operator as not being a duly registered subscriber;

(b) The unauthorized tapping of drop cable, feeder and/or trunk lines into the CATV or cable internet system/network, and/or the unauthorized installation of electronic equipment such as digital or analog receiver-decoder boxes, set-top and converter boxes, or modems, by persons not duly authorized by the CATV or cable internet service operator; and,



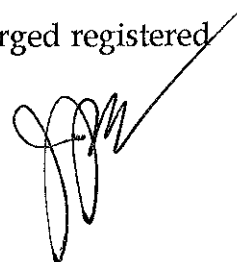
(c) The unauthorized possession and use of electronic equipment such as digital or analog receiver-decoder boxes, set-top and converter boxes, or modem used to intercept CATV signals or access the cable internet system/network and which equipment have not been duly registered with the CATV or cable internet service operator or have been covered by the appropriate licenses and permits from the proper government regulatory agency or agencies in accordance with existing laws, rules and regulations.

SEC. 6. Penalties. – Any person who willfully violates any provision of this Act or commits any of the prohibited acts in Section 4 hereof shall be punished by an imprisonment term of not less than two (2) years but not more than five (5) years, or a fine ranging from Fifty Thousand Pesos (P50,000.00) to One Hundred Thousand Pesos (P100,000.00), or both, at the discretion of the court.

SEC. 7. Information Dissemination. – The National Telecommunications Commission and the Cable Television Associations in the Philippines, shall collectively undertake a vigorous campaign to inform the consuming public of the existence of this Act, within sixty days (60) from its effectivity and at least once a year thereafter.

SEC. 8. Rules and Regulations. – The National Telecommunications Commission, in consultation with the Cable Television Associations of the Philippines and other affected parties, shall within sixty days (60) after the conduct of due hearings which must commence within thirty working days (30) upon the effectivity of this Act, issue the implementing rules and regulations to ensure the efficient and effective implementation of the provisions of this Act.

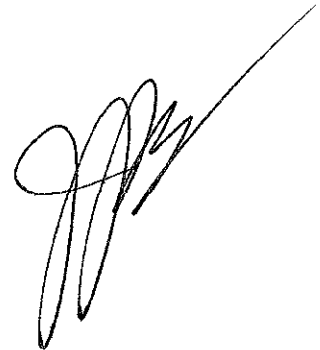
SEC. 9. Recovery of Pilferage Losses. – Any duly authorized CATV or cable internet service operator may recover pilferage losses from such unauthorized persons found to have committed any of the prohibited acts in this Act in an amount equivalent to at least one (1) year basic subscription fees presently charged registered subscribers of such CATV or cable internet service operators.

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SEC. 10. Repealing Clause. - All other laws, decrees, ordinances, rules, regulations and other issuances or parts thereof, which are inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 11. Effectivity. - This Act shall take effect fifteen (15) days after the completion of its publication in the Official Gazette or in any two (2) national newspapers of general circulation.

Approved

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