

EXECUTIVE ORDER NO. 436

PRESCRIBING POLICY GUIDELINES TO GOVERN THE OPERATIONS OF CABLE TELEVISION IN THE PHILIPPINES

WHEREAS, the State recognizes the vital role of communication and information in nation-building;

WHEREAS, the Filipino people must be given wider access to more sources of news, information, education, sports events and entertainment programs other than those provided for by mass media and afforded television programs to attain a well informed, well-versed and culturally refined citizenry and enhance their socio-economic growth;

WHEREAS, cable television (CATV) systems could support or supplement the services provided by television broadcast facilities, local and overseas, as the national information highway to the countryside;

WHEREAS, because a large part of the country is still not covered by cable television services, there is an urgent need to maximize the development of the cable television industry and to provide incentives and afford protection to investments therein;

WHEREAS, professionalism and self-regulation among existing operators, through a nationally recognized cable television operators' association, have enhanced the growth of the cable television industry and must therefore be maintained along with minimal reasonable government regulations;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby adopt the following guidelines for the cable television (CATV) industry:

SECTION 1. The operation of cable television systems, as a subscriber service undertaking with a unique technology, shall be maintained separate and distinct from telecommunications or broadcast television.

SECTION 2. The regulation and supervision of the cable television industry in the Philippines shall remain vested solely with the National Telecommunications Commission (NTC).

SECTION 3. Only persons, associations, partnerships, corporations or cooperatives granted a Provisional Authority or Certificate of Authority by the Commission may install, operate and maintain a cable television system or render cable television service within a service area.

Cable television service may carry advertisements and other similar paid segments for which the cable television operator may charge and collect reasonable fees; Provided, that no cable television operator shall infringe on broadcast television markets by inserting advertisements in the programs it carries or retransmits without the consent of the program provider concerned.

SECTION 4. Local exchange operators and/or broadcasters, as well as operators of direct broadcast satellite service, multi-point distribution service, television receive-only satellite program distribution service and other systems of providers of video programming utilizing whatever technology, shall not operate cable television systems or any form of service involving the delivery television programs and signals, by wire or cable or through the airwaves and other wireless video signal transmission systems without specific permits, licenses and/or authority to operate a cable television system as provided

hereunder and under applicable laws and rules and regulations, which permits, licenses and/or authority shall be issued in accordance with the provisions of this Executive Order.

SECTION 5. The Commission may grant an applicant an authority to operate a cable television system within the same franchise area covered by any Provisional Authority or Certificate of Authority issued by the Commission two (2) years earlier only upon the determination by the Commission that -

- a) the prior cable television operator has not, without sufficient justification, substantially complied with the terms and condition of his authorization;
- b) the cable television service currently provided by the operator to its subscriber is grossly inadequate; and
- c) the grant of the authority to the applicant will not result in ruinous competition detrimental to the existing operator and incompatible with the investment policies under this Executive Order.

SECTION 6. A cable television operator may, with prior approval from the Commission, lease or sub-lease any excess capacity of its cable television system to a third party.

SECTION 7. Receipt and distribution encoded satellite program signals shall be limited to the written authority granted by the satellite programmer.

SECTION 8. The Commission is hereby directed to ensure the proper implementation of this Executive Order, adopt rules and regulations for the purpose and, after due notice and hearing, impose the appropriate penalties in case of violation of any of the provisions hereof and the applicable rules and regulations, including administrative fines, penalties and sanctions as may be allowed or prescribed by existing laws.

SECTION 9. All executive orders, administrative orders and other issuances inconsistent herewith are hereby repealed, modified or amended accordingly.

SECTION 10. This Executive Order shall take effect immediately upon approval hereof.

DONE in the City of Manila, this 9th day of September, in the year of Our Lord, Nineteen Hundred and Ninety-Seven.