

**[DOTC DEPARTMENT CIRCULAR NO. 2003-01,
March 03, 2003]**

REGULATION OF THE OPERATION OF CABLE TELEVISION (CATV)

The 1987 Constitution fully recognizes the role of communications in nation building. It also contains the following provisions

a) Article XII. Sec. 1. The goals of the national economy are a more equitable distribution of opportunities, income and wealth;

b) Article XII Sec. 19. The State shall regulate or prohibit monopolies when the public interest so requires. No combinations in restraint of trade or unfair competition shall be allowed.

c) Article XVI Sec. 10. The State shall provide the policy environment for the full development of Filipino capability and the emergence of communication structures suitable to the needs and aspirations of the nation and the balanced flow of information into, out of, and across the country, in accordance with a policy that respects the freedom of speech and of the press.

In view of the above and in order to promote fair and healthy competition in the cable television industry so as to provide the Filipino people the widest access possible to sources of news, information, entertainment and data available from the CATV market, the Department of Transportation and Communications (DOTC) hereby directs the National Telecommunications Commission (NTC) to issue the necessary guidelines that will govern the relationship between program and content providers and the local cable TV operators, in line with the following policy directives;

1. Program and/or content providers shall conduct their business in a manner that will not be in violation of the Constitutional provision prohibiting monopoly, combinations in restraint of trade or unfair competition;
2. Foreign program and/or content providers who are or intending to transact business with local CATV operators shall be required to have an in-country local agent;
3. Any and all agreement between local CATV operators and foreign and/or content providers shall contain a provision submitting any dispute pertaining thereto to the jurisdiction of Philippine competent authorities.

The NTC shall within 30 days from the effectivity date of this Circular promulgate the procedures, rules and regulations implementing the policies hereof and the appropriate sanctions in compliance thereof.

This Circular shall take effect fifteen days after its publication in the Official Gazette or any newspaper of general circulation, provided further, that at least 3 certified