



***Beyond DIGITAL:***

**Opportunity for Increased Consumer Vigilance  
towards Better Regulation  
in Philippine Media Services**

IBON Philippines

International Conference on Consumer Protection  
in the Digital Age

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# The Philippines at a glance

<b>Population</b>	92.3 million (2010 census)
<b>Per capita GDP</b>	\$2,140 (World Bank 2010)
<b>Adult literacy (total population)</b>	95% (UNESCO 2009)
<b>Radio coverage (total households)</b>	85%
<b>TV coverage (total households)</b>	60%
<b>Mobile phone lines</b>	87.3 million (ITU 2011)
<b>Mobile phone penetration</b>	92% (ITU 2011)
<b>Mobile network coverage</b>	99% (GSMA 2010)
<b>Internet users</b>	29.7 million (2011)
<b>Ranking in UN HDI</b>	112 out of 187 (2011)
<b>Ranking in World Press Freedom Index</b>	140 out of 179 (2012)
<b>Ranking in the 2010 EIU Digital Economy Report</b>	54th out of 70
<b>Philippine connectivity ranking</b>	2.6 out of 10
<b>Fixed broadband penetration</b>	5%
<b>Wireless broadband penetration</b>	10%

# Current PH Regulation

- The NTC : government body that principally regulates the telecommunications and broadcasting industries
- Allocation of frequencies, licensing and permitting regulations for broadcasting and telecommunications firms are administered by the NTC
- Regulation does not cover content** (done by the MTRCB that only classifies programs)

# Current PH Regulation

- Regulation on digital broadcast is limited to digital FM radios only: separation band for stations within same service area, and transmission of both digital and analogue signals over the same frequency.
- National Telecommunications Commission (NTC) Memo 02-06-2010 announcing the Philippines' switch from analogue to digital broadcast by 31 December 2015 (in consultation with industry stakeholders)
- NTC still drafting implementing rules and regulations and DTT implementation plan (Target is April 2014)

# Current PH Regulation

•The Philippines will shift from American NSTC standard to Japan's ISDB-T standard for digital terrestrial television (DTT) delivery in the country.

## **RATIONALE:**

1.ISDB-T's capability to provide three (3) levels of categorized modulation (audio, video and data services)

2.DTT services can be used for both fixed, portable and mobile devices. The technology is also capable of sending emergency warning broadcasts to households.

3.DTT is also believed to ensure not only the competitiveness of the Philippine broadcasting industry but enable them to provide enhanced services to the viewing public.

# Trends towards multi-media

- Broadcast industry trying to keep up with new technological innovations in communication
- 3 major TV stations extended broadcasting to online streaming
- 8 of Manila broadsheets, 2 provincial newspapers have online news
- 3 major radio stations are aired over cable news channels
- Consolidations among existing firms across various industries (ex. PLDT offering digital TV for home and mobile phone)

•The basic character of the Philippine consumer movement is its **integration with the greater stream of social movements** in the country, of which consumer issues are part of the people's movement for protection and advancement of basic rights and public welfare.

# Ownership of mass media

- Public telecommunications services shall be provided by private enterprises. The private sector shall be the engine of rapid and efficient growth in the telecommunications industry (Public Telecommunications Policy Act of the Philippines)
- More than 200 TV stations, mostly owned by the 'Big Three' networks: ABS-CBN, GMA, TV5
- More than 1,000 radio stations dominated by 7 large broadcasting groups
- PH lacks enabling environment for small local/community-based players to thrive



# Ownership of mass media

- **1987 Philippine Constitution limits ownership of media firms to Filipino nationals. Telecoms may be partly-owned by foreign firms.**
- **Argument of current drive for Constitutional amendments (“Charter Change”)**

# Challenges to PH digital regulatory framework

1. Socio-economic challenges on **accessibility**
  - Low PC penetration and Internet usage, especially in rural areas, partly reflect the financial inability of citizens to have their own computers and pay the monthly cost of Internet connectivity (Philippine Digital Strategy 2011-2016)
  - Digital shift would require households to purchase set-top boxes
    - At least 70% of Filipino population live on less than \$2 a day (Php110)

# Challenges to PH digital regulatory framework

## 2. Limited regulation/incentives for **local content in programming**

- PH is unique in Asia due to minimum state regulation. While a good indicator of press freedom, PH lacks regulation in content
- No rule requiring broadcasters a minimum amount of local content in programming (except for radio station rule of playing 4 Filipino compositions every hour)
- Developmental issue: colonial mentality as proven hindrance to progress

# Challenges to PH digital regulatory framework

## 3. Lack of **high quality programming**

- Programs dependent on ratings, advertisements over meaningful programs that would contribute to economic and cultural development
- Pending bill to grant fiscal incentives for educational programs
- Developmental issue: enabling people to make informed choices on important issues so they can participate in national development

# Challenges to PH digital regulatory framework

- As it is, there is token space given to programs that deal with real social issues, depict realities in the communities
- Minimal space for airing consumer issues (biased for corporations/advertisers) and issues of marginalized sectors

# Challenges to PH digital regulatory framework

## 4. Government role in infrastructure

- Transition to a converged market will involve complex and costly arrangements as different industries are adapting convergence at different paces.
- Physical infrastructure and commercial systems for electronic services that support digital convergence will entail massive investment

# Challenges to PH digital regulatory framework

## 5. Revising outdated regulation laws

- Needs rules for mobile TV and internet TV
- Amount of penalties, fines and sanctions provided under current laws are already considered insignificant
- 1936 Public Service Act failed to provide the NTC with comprehensive police and contempt powers, which severely limits its authority in the industry that it seeks to regulate

# Challenges to PH digital regulatory framework

## 6. Resolving threats to press freedom

- Cyber Crime Prevention Law : could be used to shutdown sites deemed to be subversive
- Freedom of Information Bill



# Policy Direction

## Goals:

- Create an **enabling environment** for the development of the digital broadcasting industry and ensure a smooth transition, **equitable and quality** broadcasting services to the public.
- Ensure that resolving issues of convergence include more **effective regulation of private/business** ownership of media towards greater consumer protection.

# Policy Direction

## Goals:

- **Increased access to information/knowledge** through the development of digital broadcasting.
- **Ensuring local content** that will help in economic and cultural development

# Policy areas

## 1. Establishment of **Public Signal Distributor** and Infrastructure Sharing

- Facilitate the creation of independent signal distributor (s) to provide signal distribution services to all licensed broadcasters.
- Facilitate the development of clear terms, conditions and tariff framework for infrastructure sharing and fair competition among operators in the broadcast industry.

# Policy areas

## 2. Production of **Local and High Quality Content**

- Requiring broadcasters to produce more local content and high quality programming
- Providing incentives for quality and socially relevant broadcast programs

***Thank you!***

