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Deregulation and Commercialization of the Broadcast Media: Implications for Public Service Programmes

The broadcast industry in the Philippines started in 1930 when station KZRM began its first regular commercial broadcasting. After the Japanese invasion, commercial broadcasting resumed in 1946. The number of stations dramatically increased when the President of the Philippines, by an act of Congress, was empowered to grant temporary permits to set-up radio stations. This Radio Law did not limit the number of stations which an individual could own. Anyone with enough capital could monopolize the air lanes. Regulations governing the issuance of permits to operate remain muddled in the succeeding years.

TV, on the other hand, had its first telecast in 1953. Like radio, the first television station was operated on a commercial basis. And with the growing interest in the new medium, more TV stations were set-up providing viewers with a variety of programs.

After the EDSA revolution in 1986, the National Telecommunications Commission (NTC) adopted an "open market" policy which grants franchise to any Filipino citizen and Filipino-owned company who has the technical, legal and financial capability to operate a broadcast station on a first come, first served basis.
Beginning 1994, radio and television stations must secure Congressional franchises in order to operate according to a Memorandum of Understanding (MOU) signed by the leaders of NTC and the Kapisanan Ng Mga Broadkaster sa Pilipinas (KBP).

While the NTC will continue to issue permits for the operation of broadcast stations, these authorizations are temporary and are valid only for two years. NTC and KBP are two of the regulatory agencies of the broadcast industry.

Since the adoption of the "open market" policy, the Philippine broadcast media has witnessed an acceleration of trend toward greater competition. Furthermore, the advent of new communication technologies has enlivened the competition to a greater extent.

At present, there are 495 radio stations operating. Of these, 427 are commercially and privately-owned, 25 are government owned and 43 are operated by religious and educational institutions. Practically, all government stations accept commercial advertising. KBP and NTC figures reveal that there are 116 radio/TV networks operating in the Philippines.

Also as a result of the 1986 EDSA Revolution, the monopoly of Community Antenna Television (CATV) was removed with the promulgation of Executive Order No. 205 in June 30, 1987 by then President Corazon Aquino. The said law granted the NTC the power to grant Certificates of Authority to qualified applicants to install CATV or Cable TV systems. This allowed the growth of Cable TV in the Philippines along with the entry of CNN in 1991 and Star TV in 1992. The growth was further enhanced when two top networks in the country, ABS-CBN and GMA-7, began their satellite programming. In just a short period of time, NTC applications for CATV authority increased from 100 to more than 200 systems.
UHF Television came to be noticed by the Filipino viewers by way of the Far East Network of the United States' Armed Forces and Television Service in the mid-80s. But it was only in mid-1992 that its growth was catalyzed by the entry of Southern Broadcasting Network's SBN 21.

Today, the viewing public has now access to UHF, Cable TV in addition to the six regular broadcast channels 2, 4, 5, 7, 9 and 13. Major broadcast areas have now spread to the key, primary, secondary and even tertiary markets. The big players in the industry like ABS-CBN, GMA-7, RPN 9 and a quasi-commercial government station, PTV 4, have gone into satellite broadcasting beaming local programming to selected Filipino communities in the world.

To cite:

- RPN 9 has access to three satellites: one for Asia; the second for the East and West Coasts of the United States; and the third for Europe.
- GMA-7 was the first Philippine network to be viewed in the US through the International Channel Network reaching an estimated 25 million viewers. In 1994, it entered into an agreement with the Philippine Cable Network which allows the country's local station to air some of its programs in Northern California for at least 66 hours a week.

It is worthy to note that with the entry of cable TV and UHF, major issues continue to affect the broadcast industry in our country. There is now an issue on the classification of cable TV. Under the new telecommunications law known as Republic Act 7925, cable TV may not fall under the definition of broadcasting.
Hence, it may be classified under telecommunications. Another is the proposal of NTC to impose radio spectrum user's fees on broadcast stations under the proposed guidelines of RA 7925 which was opposed by the KBP. There is also another issue on whether cable TV would be allowed to accept commercial spots from advertising agencies (which will put cable TV in competition with commercial broadcast stations who rely on advertising for their revenues) and channel assignments of broadcast TV stations. Another major issue of concern is whether cable companies can be owned by overseas interests. (The law provides 60% ownership by Filipinos).

In their attempt to gain commercial strength and advantage, two of the country's major networks have engaged in mergers and acquisitions which have given them greater control over specific or a combination of sectors. Both networks are now into movie production, recording, and post-production. Other networks have affiliated with the telecommunication giants like ABC-5 "the fastest growing network" which signed an agreement with the New DOMSAT Philippines last January 1995 for television uplink services, space segment, back-up facilities, and administrative and network services. DOMSAT is a full service broadcast and telecommunications company. The government has also plans of launching its own satellite. At this point, both government and private organizations are into the development of new services to meet audience demand.

Another point worth noting regarding media ownership is the alliance of media entrepreneurs and politicians.

There is also a continuing effort among all networks to upgrade their facilities. GMA-7's acquisition of new ENG vans was behind the successful live coverage of the Papal Visit and the 10th World Youth Day '95 activities. Some networks also do receive grants from worldwide institutions in the procurement of broadcast equipment.
With regard to the impact of the "open policy" on programming, the trend now is in the production of more local programs, particularly telemovies and magazine type of sitcoms, which have been proven to be a sure-hit among the masses. With most of the networks producing these program formats, there is a tendency towards sameness of programming menu focusing on similar themes but with new set of actors. One major development in network programming is when GMA-7 shifted to local programming, facing head-on with ABS-CBN, the country's #1 network in viewership and in sales. Before, GMA-7's programming was dominantly foreign. Now, it is 81% local as it redefined its program thrust to audience maximization.

News reportage is heavy on crimes and borders on sensationalism. There is a dearth of documentary programs because of the high cost of production and its limited appeal. In contrast, showbiz talk shows proliferate in the boob tube and are even shown on primetime and during weekends. A closer look of various program schedules of six TV networks reveals that there are only about 89 programs which are considered children's programs from a total base of 410 TV programs. Foreign cartoons still dominate a child's TV diet. But there is an increasing awareness among program directors to produce children's programs which are both educational and entertaining.

UHF programming, in its infancy stage, is into narrow casting satisfying specific needs of a specific sector of viewers. Examples of which are: SBN 21's Via satellite news and family-oriented programs, Channel 23's MTV programming, Citynet 27's "window to the world," RJTV29's Home TV Shopping and CTV31's old movies. On the other hand, Cable TV provides Filipino viewers with a taste of foreign culture.
With all these changes happening, one cannot miss out the link between competition and advertising where increase in competition encourages the growth in advertising expenditure. From 52 advertisers which supported the premiere telecast of Channel 3 in 1951, today's broadcast industry has grown into a multi-billion business. Because Philippine broadcast media is highly commercialized, media entrepreneurs and organizations are driven by commercial considerations and not primarily public service. One can see the excesses of sponsors' desires and demands in the news programs of all networks where every portion of the evening news or hourly news breaks are supported by a product.

And in the light of competition, even public service programs are given a touch of commercial appeal to attract wide viewership. Also, public service concerns are articulated in the form of slogans of various networks such as ABS-CBN's "in the service of the Filipino worldwide" and GMA-7's "in support of the Filipino family, for the greater glory of God."

While these are clearly part of building and sustaining a public image for each network, ultimately the quality and quantity of public service programs for the different segments of the audience will determine the true nature of a broadcaster's commitment to public service.

And how do public service organizations and stations respond to commercialization? Let us take the case of Philippine Children's Television Foundation, a pioneer in educational television in our country. PCTVF is a non-stock, non-profit organization which is committed to the development of supplementary modes of education for children through mass media and non-formal means. It is an independent producer of television and radio programs for children which has to prove itself within the commercial
broadcast system in the Philippines. One of its productions is a magazine format, educational television program for children called BATIBOT, an old Tagalog word which means "small but strong." BATIBOT never enjoyed the luxury of government funding although it has received support from reputable institutions and corporations. But this continues to be a pressing concern. Despite the popularity of BATIBOT locally and internationally, working for advertising support is a complex process. Unlike other children's programs which allow advertising of products within the show itself, we in BATIBOT believe that commercials are placed in commercial breaks, not within the program. The popular and well-loved BATIBOT characters have never had to push specific products in exchange for survival. Economic stability can never be fully guaranteed but PCTVF continues to work hard on finding support that will sustain BATIBOT and keep it on the air.

With commercialization and deregulation around, public service-oriented stations have to find the right mix between what is popular and mass-oriented and what is unquestionably good quality programming in order to compete with commercial networks. This is the case of PTV 4, the People's Television Network, Inc. Now with its own charter and with the infusion of capital, PTV 4 continues to provide the viewing public with more news, public affairs, educational and television programs.

The success of public service programming in the Philippines will depend on the conscientious efforts of broadcast networks/media practitioners (who have the content and technology), the advertisers (who will invest in programs which promote moral and social responsibilities) and the viewers (who will patronize these programs). Public broadcasters must continue to display a higher level of creativity in their program content to generate larger audiences. And lastly, public service programs must be given priority in terms of budget and airtime for them to deliver useful, educational programs to the public.
DEREGULATION AND COMMERCIALIZATION OF BROADCAST MEDIA:
IMPLICATIONS FOR PUBLIC SERVICE PROGRAMMES

Since the adoption of an "open market" policy in 1986 by the National Telecommunications Commission (NTC), the Philippine broadcast media has witnessed an acceleration of trend toward greater competition. Furthermore, the advent of new communication technologies has enlivened the competition to a greater extent.

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their attempt to gain commercial strength and advantage, two of the country’s major networks have engaged in mergers and acquisitions which have given them greater control over specific or a combination of sectors. Both networks are now into movie production, recording, and post-production. Other networks have affiliated with the telecommunication giants like ABC-5 “the fastest growing network” which signed an agreement with the New DOMSAT Philippines last January 1995 for television uplink services, space segment, back-up facilities, and administrative and network services. DOMSAT is a full-service broadcast and telecommunications company. The government has also plans of launching its own satellite. At this point, both government and private organizations are into the development of new services to meet audience demand.

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