

STILL NO THIRD TELCO BEFORE DUTERTE'S STATE OF THE NATION PITCH

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The Department of Information and Communications Technology (DICT) said a new major telco player would not be named before President Duterte's national address in July as it signaled further delays. The July target was a self-imposed one. It emerged after Malacañang scrapped the March 2018 deadline, which was tagged by interested groups as unrealistic.

Eliseo Rio Jr., DICT acting secretary, said on Friday that it was still possible to at least identify ahead of the President's State of the Nation Address (Sona) the serious groups that would bid.

"By Sona, people will know what companies are joining the bidding," Rio said in a text message on Friday.

The government's main role in this exercise is to determine which company will be awarded a slew of 3G, 4G and potential 5G frequencies to launch call, text and internet services on mobile devices.

The third telco, a key campaign promise, will compete with the PLDT Inc. and Globe Telecom duopoly.

The delays come as the government finalizes the terms of reference, which will spell out the parameters it will use in awarding valuable radio frequencies.

Rio said the terms of reference may be published by mid-May "on a best effort on our part."

The extra time is also needed due to the reglementary period that comes with the issuance of such terms. The publication of the terms, public discussions and finalization could take more than one month alone, said Edgardo Cabarios, deputy commissioner of the National Telecommunications Commission (NTC).

Potential bidders will also need ample time to study the terms and prepare their offers.

Rio said bidders would be given "around 45 days" to come up with their bid proposals.

An oversight committee was recently established to assist the NTC in drafting the terms. The committee is comprised of the DICT, Department of Finance, Office of the Executive Secretary and National Security Adviser.

Rio told ANC on Friday that also under discussion was the granting of tax incentives to a telco industry challenger.

To further guide investors, the DICT released a memorandum order on April 13 that detailed the financial resources and technical requirements a new major telco player must possess.

It said the company must hold a congressional franchise that was not a related party to any dominant telco player. Moreover, it should have no outstanding liabilities to the NTC as of Jan. 31, 2018.

It added the interested company must have a paid-in capital of at least P10 billion and experience in operating telco services "for the last five years."

In the selection criteria, the DICT included "highest committed level of service" apart from the committed investment over a five-year period.

The cost of entry in the telco business is steep. Finance Secretary Carlos Dominguez III earlier said on Twitter that a new entrant would need to invest at least P200 billion to "effectively compete."