

# Tighter rules on 3rd telco entry eyed

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The Department of Information and Communications Technology ( DICT) tightened the general guidelines governing the entry of a new major telecommunications player.

It issued a new memorandum order, dated April 13 this year, which outlined the minimum financial backing and technical requirements a potential challenger to the PLDT Inc. and Globe Telecom duopoly must possess.

It also expanded the selection criteria to include companies that could provide the “highest committed level of service,” where in the past memorandum, only financial resources were considered.

The April 13 memorandum is distinct from the final terms of reference, which the government hopes to release in the next few weeks.

The rules being drafted will determine the parameters the government will use in awarding the coveted radio frequencies to a new telco challenger.

DICT’s April 13 memorandum further details the qualifications for a new major telco player.

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

It said 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 previous memorandum, the DICT outlined the need for a valid congressional franchise and a written, binding commitment from a foreign joint venture company. It also required that the interested party had no corporate or financial interests in either Globe or PLDT.

As noted, the April 13 memorandum incorporates the DICT’s desire for quality of service to be part of the selection criteria. This followed a series of public stakeholders’ meetings, during which industry players and ICT advocates were allowed to air their comments.

“The applicant with the highest committed level of service and/ or highest committed investment for the first five years shall be the NMP (new major player),” the DICT’s memorandum read.

“This is without prejudice to the formulation of a new selection criteria or modification thereof by the NTC, in consultation with DICT and oversight committee created under administrative order No. 11,” it added.

The DICT earlier said it was targeting to hold the frequency bidding in the middle of 2018.