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NEW TELCO PLAYER MAY STILL OFFER MESSAGING SERVICES

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The Department of Information and Communications Technology (DICT) said a third player would still be allowed to offer traditional text messaging and calls as mobile customers shift to 3G and 4G networks.

DICT Acting Secretary Eliseo Rio Jr. said in a social media post that so-called 3G mobile phones were relatively inexpensive today, with prices comparable to 2G phones "some years ago." Those with 4G capabilities, however, tend be higher-end models.

Rio clarified comments he made that a third telco operator would "not use" SMS, or short messaging service, because the government no longer had any 2G frequencies left to award to a third player that would compete with incumbents PLDT Inc. and Globe Telecom.

"It must be made clear that while there may be no 2G frequencies available to the third player, their subscribers can still send and receive SMS within their network and to and from subscribers of the other telcos, using 3G and 4G frequencies that will be awarded to them," Rio said.

Those using 2G handsets, so-called because they use dated second-generation cellular technology, would not be able to tap the network of a third telco player.

"'These 'bunker' phones are now being phased out (they are no longer available in Singapore) and may no longer be available in the Philippines soon," Rio said, without elaborating further.

There is still a market for 2G phones, especially in areas where mobile networks have poor signal quality.

Smart Communications announced in mid-2016 that it had activated more 2G sites around the Philippines.

Rio said earlier that the DICT had enough 3G and 4G frequencies, which would allow a new player to provide a slew of applications.

These include faster mobile internet browsing, where demand is surging.

The DICT is targeting to name a third telco player by March this year.

Rio said earlier that the terms of reference that would outline the conditions for awarding all currently available frequencies and the corresponding authority to operate would be released by the National Telecommunications Commission by Feb. 19.

According to the DICT's initial policy guidelines on selecting a third player, the main consideration is the amount of funds that a new group would be willing to invest over a five-year period.

The prospective challenger should also have a congressional franchise and no financial ties to PLDT and Globe, Rio said. He said the DICT would evaluate other factors such as the technology to be used and the speed by which it could roll out services. INQ