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SENATE
P. S. RES No. 933

FILED

Introduced by Senator Francis N. Pangilinan and Senator Leila M. De Lima

RESOLUTION
DIRECTING THE COMMITTEE ON SCIENCE AND TECHNOLOGY TO
CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE STATE OF THE
TELECOMMUNICATIONS INDUSTRY AND ON THE GOVERNMENT'S
COMPREHENSIVE STRATEGY FOR IMPROVING INTERNET ACCESS,
QUALITY, AND AFFORDABILITY IN THE COUNTRY

WHEREAS, in accordance with Section 24, Article II of the Philippine Constitution, the State recognizes the vital role of communication and information in nation-building;

WHEREAS, Section 5 of Republic Act No. 10844, otherwise known as the "Department of Information and Communications Technology (DICT) Act of 2015," provides that the DICT shall be the primary policy, planning, coordinating, implementing, and administrative entity of the Executive Branch of the government that will plan, develop, and promote the national ICT development agenda;

WHEREAS, Republic Act No. 7925, otherwise known as the "Public Telecommunications Policy Act," affirms the vital role of telecommunications to national development and security, and mandates the National Telecommunications Commission (NTC) to be "the principal administrator of this Act and as such shall take the necessary measures to implement the policies and objectives set forth in this Act;"

WHEREAS, according to the ICT Manifesto for the Philippines published by the Lee Kuan Yew School of Public Policy and Microsoft Philippines, Information and Communications Technology (ICT) in general, and broadband technology in particular, are key drivers of sustained growth in the information age, essential to

eradicating poverty and promoting development. The Manifesto noted that, “In the ASEAN region, other factors being equal, a 1 percentage point increase in internet penetration rates translates into an additional .65 percentage point of GDP growth, on average. This would mean at least PHP 75 billion more in GDP for the Philippines based on 2013 values;”¹

WHEREAS, a report released by the Asia Foundation and Better Broadband Alliance last October 2018 revealed that poor access, poor quality and high cost of internet connectivity continue to be a major challenge in the Philippines. Around 45 percent of 103 million Filipinos remain unconnected. The country’s 4G speed ranked 4th slowest of 88 countries in OpenSignal’s 2018 State of LTE and recorded the poorest overall mobile video experience of 69 countries in OpenSignal’s 2018 State of Mobile Video. Fixed broadband service costs consumers 7.1% of gross national income per capita per month, well above the 5% affordability threshold recommended by the International Telecommunications Union;²

WHEREAS, according to the February 2016 Broadband Policy Brief of Arangkada Philippines, the main obstacles to better internet service in the country include the presence of barriers to entry, anti-competitive practices, inadequate infrastructure, weak and ineffective regulation, prohibitive bureaucratic requirements in infrastructure build-out, and the lack of interconnection among telecommunication players;³

WHEREAS, according to Arangkada’s Policy Brief, key stakeholders agree that the Philippine telecommunication sector would benefit from the entry of new players, both domestic and foreign, and from effective competition. Reforms to introduce and promote competition through the entry of new players “can reinvigorate the market, promote better services, and lower prices due to competing providers that ultimately benefit consumers.”

WHEREAS, upon the directive of the President, the DICT issued Memorandum Order No. 001, series of 2018, on January 8, 2018, to facilitate and

¹ <https://download.microsoft.com/documents/apac/IC-Manifesto-for-the-Philippines.pdf>

² https://asiafoundation.org/wp-content/uploads/2018/10/From-Analog-to-Digital_Philippine-Policy-and-Emerging-Internet-Technologies.pdf

³ <http://anzcham.com/wp-content/uploads/2016/03/ONLINE-BROADBAND-POLICY-BRIEF1.pdf>

prescribe the guidelines for the selection of and assignment of radio frequencies to a new major player in the telecommunications (telco) sector as a matter of national interest for the benefit of the public and to enhance competition in the telecommunications market;

WHEREAS, on September 20, 2018, the National Telecommunications Commission (NTC), promulgated Memorandum Circular (MC) No. 09-09-2018 containing the comprehensive rules and regulations for the selection of the new major telco player and the assignment of radio frequencies;

WHEREAS, according to MC No. 09-09-2018, the new major telco player would be selected based on the Highest Committed Level of Service (HCLoS) model. The selection criteria included (1) national population coverage, (2) minimum average broadband speed and (3) capital and operational expenditure over the five-year commitment period;

WHEREAS, MC No. 090-09-2018 also provided that the selection would be done through a public, open, and competitive selection process among qualified congressional franchise holders that are not, or related parties to, the existing dominant telecommunications players as defined in the MC;

WHEREAS, beyond the selection of a new major telco player, a broad set of reforms are needed to promote greater competition and level the playing field in the telco market with the end view of improving internet connectivity and enhancing the welfare, experience, and opportunities of internet users in the country;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved by the Senate of the Philippines, to direct the Committee on Science and Technology to conduct an inquiry, in aid of legislation, on the state of the telecommunications industry and on the government's comprehensive strategy for improving internet access, quality, and affordability in the country.

Adopted,


FRANCIS N. PANGILINAN