



MEMORANDUM ORDER

No. 001

Series of 2018

**POLICY GUIDELINES FOR THE ENTRY OF A NEW MAJOR PLAYER IN THE
PUBLIC TELECOMMUNICATIONS MARKET**

WHEREAS, pursuant to Section 5 of Republic Act No. 10844 or otherwise known as the Department of Information and Communications Technology (DICT) Act of 2015, the Department 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, Section 15 of the same DICT Act of 2015 provides that the National Telecommunications Commission (NTC) shall be an attached agency of the DICT for policy and program coordination;

WHEREAS, there is a need to further improve the telecommunications services all over the country;

WHEREAS, there are only two (2) mobile telecommunications networks providers, two (2) national networks providers and two (2) international landing stations and backhaul networks providers, namely: the Globe Group and PLDT Group;

WHEREAS, there are several telecommunications companies operating fixed access networks providing broadband/internet services;

WHEREAS, only Globe Group and PLDT Group are operating as full telecommunications networks and services providers;

WHEREAS, both the Globe Group and PLDT Group announced that they welcome the entry of a new major player and would not undertake any steps to prevent competition in the market;

WHEREAS, President Rodrigo Roa Duterte directed the DICT and NTC to fast-track the entry of a new major player to compete in the Philippine telecommunications market;

WHEREAS, President Duterte stated that the entry of a new major player in the market “is a matter of **national interest** for the **benefit of the public**”;

WHEREAS, President Duterte ordered that the new major player should be able to enter the market at the end of 1st quarter of 2018;

NOW, THEREFORE, as a matter of national interest for the benefit of the public and to enhance competition in the telecommunications market, the DICT hereby **DIRECTS** the NTC to strictly observe the following policy guidelines:

SECTION 1. Qualifications. Applicant shall have the following minimum qualifications:

- 1.1 Possess a valid Congressional Telecommunications Franchise. After the bid, the NTC shall issue the appropriate licenses/authorities to the winner, if necessary.
- 1.2 Not a subsidiary of, affiliate of, nor shall have any corporate or financial interest with, either the Globe Group or PLDT Group of companies as of 31 December 2017; and
- 1.3 Written and binding commitment from a foreign joint venture company, if applicable.

SECTION 2. Criteria for Selection. The applicant with the highest committed investment for the first five (5) years shall be selected. This commitment should be secured with a performance bond.

SECTION 3. Assignment of Radio Frequencies. The new major player shall be assigned radio frequency bands that are now available for assignment as identified by the NTC. Non-compliance with its commitment under section 2 hereof shall result in the automatic recall of the assigned radio frequencies.


SECTION 4. Issuance of a Memorandum Circular. The NTC, in consultation with DICT, shall promulgate not later than 19 February 2018 the Memorandum Circular containing the Terms of Reference for the selection and the assignment of radio frequencies for the new major player in the Philippine telecommunications market.

SECTION 5. Repeal. All other orders, issuances, or parts thereof, which are inconsistent with the provision of this Order, are hereby repealed or modified accordingly.

SECTION 6. Separability. If any provision of this Order is declared invalid, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 7. Effectivity. This Order shall take effect immediately.

DONE, in Quezon City, this 8th of January, in the year of Two Thousand and Eighteen.


ELISEO M. RIO, JR.
Officer-in-Charge, DICT
