From Analog to Digital: Philippine Internet Policy Landscape and Reforms

Better
Broadband
Alliance

PH Internet Access

45%  of 103 million individuals

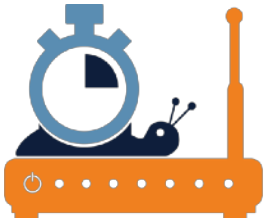
61%  of 23 million households

74%  of 46,700+ public schools

NO INTERNET ACCESS

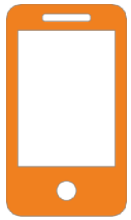
Source:
Broadband Commission 2017
DepEd 2016

PH Internet Quality and Affordability



fixed broadband
slowest in Asia Pacific
since 2016

4G speeds
4th slowest globally



poorest mobile
video experience

fixed broadband **costs 7.1%**
of average monthly income
(recommended <5%)

mobile broadband cost
experienced **abrupt**
decrease 2016-2017

From Analog to Digital:

Philippine Policy and Emerging Internet Technologies

- Creating a legal and regulatory environment conducive to **technological change** and **general freedom to innovate.**
- Innovation often **disrupts industry incumbents** who are used to doing things a certain way, who benefit from status quo.
- Emerging technologies bring **competition**, **new business models**, **better services**.

Emerging Internet Technologies

COVERAGE

EFFICIENCY

RELIABILITY

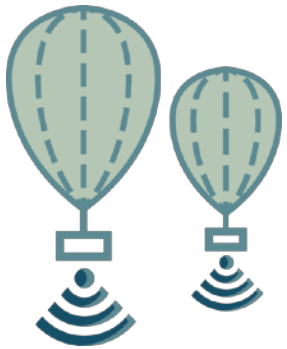
Emerging Technologies reviewed

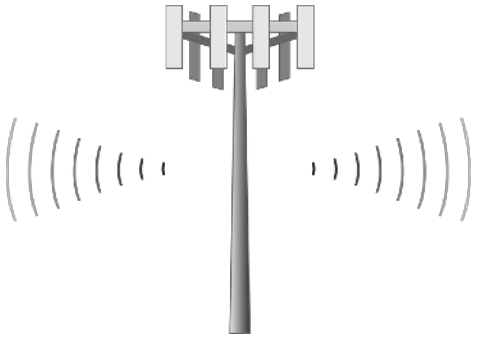
Wired

1. Fiber to the premises

Wireless

2. TV White Space
3. High altitude platform station (HAPS)
4. 5G mobile technology
5. Satellites
6. Fixed wireless





Analog Policy in Digital Age

Policy and regulation

Technology we use

Analog Policy

First few models of the rotary dial phone, **1930s**

Siemens Bakelite telephone, **1940s**

Radio Control Law 1931

[spectrum]

Public Service Act 1936

[regulating public utility / service]

Analog Policy

First PC released,
1976

Mobile phones,
1995

NTC Charter 1979

[mandate]

Public Telecoms Act 1995

[liberalizing telecom industry]

Key Challenges

1

Telco-centric classification of services.

Only telcos (with a Congressional franchise, NTC provisional authority / CPCN) allowed to build and operate a network (wired or wireless). ISPs and VAS providers must connect to a telco facility.

Tedious and costly to acquire license to put up a network.

Congressional Franchise
- 2 to 5 years

NTC Provisional Authority
- 1 to 5 years

VAS registration
- 5 to 30 days

Permit to import equipment
- 3 to 10 days

Key Challenges

2

Landline requirement.

Mobile and international gateway operators are required to rollout 400K and 300K landlines, respectively.

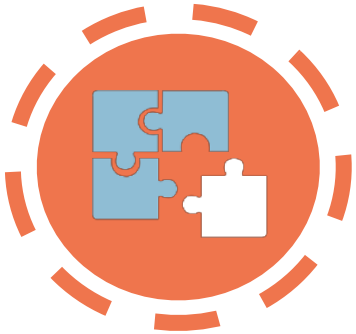
3

Restrictions on foreign ownership.

A company must be at least 60% Filipino owned to build and operate a network, and to even test emerging Internet technologies.

Key Challenges

4



Inconsistent and unclear standards and rules for data infrastructure.

Permits and fees for network deployment; Sharing of towers, poles, utility corridors.

5

Inefficient and inequitable use of spectrum.

Some entities are spectrum banking. Philippine Competition Commission estimates only 12.8% left for a new player. Spectrum sharing and license-exempt spectrum now a global trend

NTC's pro-active regulation

- **1991** – Suspended enforcement of regulation to acquire a license to own a mobile phone
- **2005** – Issued rules for IMT 2000 or 3G before technology became available in PH
- **2005** – Classified VoIP as VAS so non-telcos can offer the service
- **2017** – Issued rules on TVWS, albeit limited

Technology-neutral and small player-friendly Free Public Wi-Fi Program

Free Wi-Fi Law Passed

2017 AUG

FEB 2015 – SEPT 2017

807 Access Points

32 months

OCT 2017 – AUG 2018

1,592 Access Points

785 more in **11** months

Policy Recommendations

Reform	What it will achieve
Public Telecom Act Amendments	• Remove landline requirement
Public Service Act Amendments	• Relax foreign ownership limits
Open Access in Data Transmission Act	• Re-classify data-only services • Remove landline requirement • Spectrum management reform • Directive for standardizing, harmonizing rules for Infrastructure sharing

Thank you.

Mary Grace Mirandilla-Santos
Lead Convener, Better Broadband Alliance
gmirandilla@gmail.com