



**Federation of International Cable T.V.
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13 August 2018

HON. ELISEO M. RIO JR.

DICT OIC-Secretary / Undersecretary for Special Concerns

Department of Information and Communications Technology

C.P Garcia Ave., Diliman, Quezon City

Philippines 1101

Re: MOA between DICT and NEA to tap electric cooperatives in delivering fast and affordable internet.

Dear Hon. Rio:

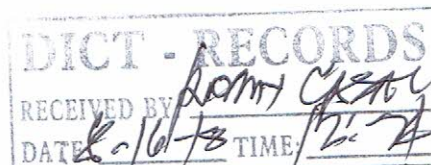
Greetings !

Allow us first to express our appreciation and congratulations for your tireless and continuous effort to seek solutions to help all our citizens enjoy the benefits of access for a fast and affordable internet. Our organization is in full unison with your objectives as exemplified by our organization slogan and battlecry, "Bawa't Pilipino, Dapat Konektado".

In fact, our organization through our memberships, have consistently been in the forefront and are fully supportive of all government initiatives and efforts to address the problem affecting our people's access to a fast and economical internet service including among others, attending and sharing our time and expertise in addressing internet accessibility in all government forums where our expertise are requested by any government agencies including and wholly participating in the government's free wifi project despite the many problems during its implementation. However, it is with great alarm and concern that we were caught unaware that your office has already entered into a MOA with NEA to tap electric cooperatives in delivering fast and affordable internet to be within the reach of our citizens. It is our position that this MOA will be counterproductive in addressing our present internet problems due to the legal infirmities and the factual and realistic complexities and problems inherent in the said MOA.

To start with, the operation and the development of Philippine Communications and the delivery of public telecommunication service is governed by Republic Act 7925. Under the said law, while a telecommunication would require a national franchise, the same law provides for a value added service entity to operates as such subject to the compliance with all the requirements as provided by law and by the National Telecommunications Commission. The law thus puts a limitations and requirements on entities who wish to engage in telecommunication services. On the other hand, under Republic Act 9520, an electric cooperative is one organized for the primary purpose of undertaking power generation, utilizing renewable energy sources, including hybrid systems, acquisition and operation of subtransmission or distribution to households.¹ Clearly, the nature and organization of an electric cooperative is to deal with the generation and distribution of power to the household, it is registered with the National Electrification Administration, an entity created by law primarily to attend to matters relating to the total electrification of the Philippines. The limitations on these entities engaged in the telecommunications and in power sector are thus well defined under the law. It would therefore be in a nature of an ultra vires acts should these entities goes beyond the limitations for which the laws clearly provided therein.

¹ Par.(1) Art. 23, RA 9520



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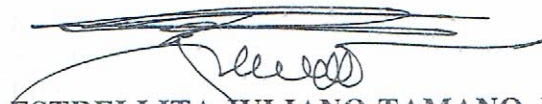
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Anent to the legal infirmities are the factual and real situation on the ground. It is common knowledge that the electric cooperatives has their hands full in addressing the power needs of each and every households, and in addressing the increasing demands of electricity which has been increasing every year and is expected to grow by more than triple in 2040.¹ Their skills are primarily related to providing power and energy to the end consumers, a field totally alien to telecommunications. On the other hand, the cable operators has been continuously upgrading their systems to include value added services in the form of supplying internet to the remotest of our localities. It has been providing internet services to a lot of localities and municipalities. To allow the electric cooperatives to engage also in the same services as the cable operators are providing would open a can of worms such as, restrictions if not high cost of rentals as may be imposed by the electric cooperatives on the use of utility poles by cable operators, uncertainties generated would result in cable operators holding back in pouring on more investments to improve better access to internet and others. There are many points which this representation would like to indulge on but it would be best to explain it in a formal position paper. As it is, it is our position that engaging the electric cooperatives to deliver internet services would be detrimental in the long run and would cause more problems than solutions.

Sincerely yours,



ESTRELLITA JULIANO-TAMANO, MBA
National Chair

cc: Hon. Gamaliel A. Cordoba – Commissioner, NTC
Hon. Delilah F. Deles - Deputy Commissioner, NTC
Hon. Edgardo V. Cabarios - Deputy Commissioner, NTC

² 2016 Philippine Power Situation Report, Department of Energy.