

# Cable SMEs oppose govt deal with co-ops

BY LISBET K. ESMAEL

**A** DEAL between the Department of Information and Communications Technology (DICT) and electric cooperatives allowing the co-ops to become Internet Service Providers (ISPs) has raised alarm in the local cable industry.

In a statement issued over the weekend, the Federation of International Cable TV and Telecommunications Association of the Philippines (Fictap) expressed its disapproval of the government's move to tap the National Electrification Administration (NEA) and the Philippine Rural Electric Cooperatives Association Inc. (Philreca) to expand the reach of broadband services to rural areas.

The Fictap said the whole cable industry is "up in arms against the illegal and unfair partnership," with its national chairman Estrellita Juliano-Tamano saying the deal would enable power co-ops to penetrate the telecommunications industry "despite their lack of franchises,

► Co-ops A2

■ CO-OPS FROM A1

## Cable operators buck

authorities and licenses."

Under the agreement, NEA and Philreca would coordinate with the electric cooperatives regarding the implementation of the National Broadband Plan. The DICT shall then connect the power co-ops with other government agencies.

The tripartite collaboration aims "to realize the objectives of the NBP, including but not limited to the co-use of fiber optic cables," according to the agreement.

However, Tamano said the memorandum of understanding signed (MOU) by the DICT and NEA "would create more problems."

"The business of cable and telecommunications is a highly regulated industry. The signing of the MOU between the DICT and

NEA would in effect allow the electric cooperatives to engage in telecommunications despite their lack of franchises, authorities and licenses. This is illegal and unfair competition," Tamano said.

She warned that the agreement "will also promote monopoly which is against the law and the policies of this administration."

Tamano said the MOU may hinder the swift implementation of the government's free wifi project.

"Instead of fast tracking the free public wifi project, it would instead create more problems making such objective much harder and difficult to achieve and thereby depriving the citizens the right to enjoy a free and faster internet," she said.

Section 16, Chapter 3 of Presi-

dential Decree 269, states that electric cooperatives shall generate and distribute electricity to customers under their franchise areas.

Power co-ops are allowed to perform other duties or exercise any other powers deemed necessary or appropriate to serve their purpose.

DICT Acting Chief Eliseo Rio told *The Manila Times* on Sunday that the memorandum was aimed at finding out how the NEA can take part in the National Broadband Plan (NBP) as well as the free wifi program of the government.

He said Fictap "hasn't even read the MOU" and "they are only asking for a copy now."

"I don't know what provisions in the MoU that they consider illegal," Rio added.

He said the DICT would meet with the Fictap to clear things out.

"We are in fact trying to help CATV operators to have pole agreements

with electric cooperatives that will be taken up in the MOU. Also, the electric cooperatives simply needs VAS license to become ISPs just like the CATV operators, who have no congressional telecommunication franchise," Rio said.

When sought for comment, NEA Administrator Edgardo Masongsong said the MOU on the broadband deal accelerates the government's plan to provide free Internet access in public areas.

"The MOU is simply to maximize the existing infrastructure of the [cooperatives] and to fast-track the desire of the government to provide free wifi especially to the public thru the LGUs [local government units], schools and public places such as plazas, among others," Masongsong told *The Manila Times*.

He said the broadband deal is under review by the legal team of all three parties.

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