Legislations and Challenges

In August 2017, President Rodrigo Duterte signed Republic Act 10929 or the “Free Internet Access in Public Places” Act. This act institutionalized the government’s role in ensuring Internet access for all Filipinos, particularly in areas that remain underserved by existing service providers. It also promoted partnership with the private sector and allowed Internet service providers to “acquire and utilize Internet connectivity directly from satellites and other emerging Internet technologies to ensure universal coverage.” (Department of Information and Communications Technology, n.d.)

According to Jones (2019), there are at least four satellites covering the Philippines. Among them is the KOREASAT7 satellite which was launched in May 2017 to serve both the Philippines and the West Philippine Sea. Such advances show that many were already aware of satellite technology’s potential and that ample Internet bandwidth was available to provide the Philippines with this form of service

Unfortunately, while broadband satellite technology looked promising, key policy and regulatory obstacles to using the technology emerged (Jones, 2019). Based on Philippine regulation, satellite broadbands are ‘simple telecommunications service.’ Therefore, only a Public Telecommunication Entity (PTE) can provide it. The process of acquiring a telecommunications franchise from the Philippine Congress is expensive and time-consuming, hindering the entry of competitors into the industry.

Provisional authority (PA) or a certificate of public convenience and necessity (CPCN) from the National Telecommunications Commission (NTC) are required to operate the service. Only a telco with a legislative franchise and PA/ CPCN is allowed to build transmission and switching facilities, offer a local exchange service (landline), and operate inter-exchange service (backbone) and an international gateway facility (Brewer, Faustino, Santos, 2018).

In the same study of Brewer, Faustino, and Santos (2018), telecommunication companies and Internet Service Providers complained about the sheer number of licenses issued, the amount of bureaucracy they face, and the costs needed facilitate the issuance of passive network licenses. Among the main challenges of telecommunication companies in acquiring licenses are listed below.

1. Local governments impose arbitrary fees for permits and clearances that do not have a clear basis and are sometimes unaccounted.

2. National government agencies mandate that telecommunication companies should secure clearances.

3. Exclusive villages and groups of homeowners refuse to have unsightly antennas or “equipment transmitting radiation” in their vicinity.

4. Radio equipment located on sites are also subjected to real property taxes. This is separate from the real property taxes that telcos pay for the land they own and the use of sites.

Globe Telecom (2020) estimates that at least 29-35 permits are needed to put up one cell site, and at least nine (9) months are needed to complete the whole permitting process. According to the telco, the following permits need to be acquired per cell site:

1. Right of Way

- Negotiations and documentation of prospective cell site location
- Land Title, Tax Declaration, Tax Clearance, Contract of Lease
- Four documents | one to two months

2. Social Acceptability

- Barangay Resolution, Homeowners Association consent, and Residents conformity
- Three permits | one to two months

3. Barangay Permit

- Zoning clearance from HLURB city or municipal resolution, occupancy permit, mayor's permit
- One permit | one month

4. National permits

- DENR, LLDA, CAB, DOH, PCSD, BFAR, NCP, etc.
- Nine to fourteen permits | three to twelve months

5. Structural permits

- Zoning permits, locational clearance, building permit inclusive of an electrical permit, sanitation permit and mechanical permit, occupancy permit, etc
- Thirteen permits | three to five months

6. Construction starts

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