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Commissioner Gamaliel A. Cordoba
National Telecommunications Commission
BIR Road, Diliman, Quezon City

Subject: Comments on the proposed Memorandum Circular Clarifying MC09-09-2003 (Wireless Data Networks) and MC06-08-2005 (Frequency Band Allocation for Broadband Wireless Access)

Dear Commissioner Cordoba:

We are pleased to submit the following comments on the above captioned proposed clarificatory memorandum circular.

Prefatory Statement

Given the legislative intent and sense of both the legislature and the executive department to accelerate digital adoption and transformation, Globe reiterates its position urging the National Telecommunications Commission to zero rate the spectrum user's fees for frequencies that are internationally considered as unlicensed frequencies. These frequencies are referred to in this jurisdiction as "open and unprotected". The legislative intent is apparent in the swift approval of House Bill No 8168 (Zero Spectrum User's Fee for Telcos Using Wi-Fi Act) by the House Committee on Information and Communication Technology.

Indeed, spectrum users fees (SUF) that are set too high in combination with taxes, regulatory fees and other charges on public telecommunications entities (PTEs)

negatively impacts economic growth and impedes digital transformation.¹ Undeniably, the efficient use of the radio frequency spectrum provides considerable benefits to the economy and should therefore be maximized.² High spectrum prices threaten affordable, high quality mobile broadband services.³ When spectrum prices are set too high, operators are likely to invest less in their networks which impacts the quality and reach of services.⁴ Operators are also less able to engage in price competition leading to more expensive mobile broadband services for consumers.⁵ When spectrum fees are set too high, consumers may suffer from more expensive, lower quality mobile services.⁶ The exorbitant cost of spectrum is not sustainable and poses a major threat for the future growth and development of mobile services. While mobile service operators incur massive and sustained capital outlay for telecommunications infrastructure and pay costly spectrum fees, revenues per MHz of spectrum is declining. We submit that the NTC is duly empowered to prescribe a zero rate for open and unprotected frequencies pursuant to its power to fix SUF from zero to a specific amount, consistent with Republic Act No. 3846, otherwise known as the Radio Control Act, and international best practices.

Specific Recommendations

Accordingly, Globe recommends the following specific policy recommendations:

- Adoption of a technology neutral policy for the use of the 2.4 GHz and 5 GHz bands which will allow its use not only for Industrial, Scientific and Medical (ISM) use but also for Wi-Fi and backhaul, and for future and emerging technologies, without limitation in geographical area.
- Adoption of international standards for current and emerging Wi-Fi technologies as the standard for Wi-Fi Access Points for both indoor and outdoor use and which will be basis of type approval by the National Telecommunications Commission (NTC).
- Adoption of a true license-free, zero-SUF policy which is in accordance with best international practices, except only for minimal registration fees, but allowing only duly enfranchised public telecommunication entities and the government to use *outdoor Wi-Fi Access Points or base stations*.

¹ 2016 ITU Guidelines for the Review of Spectrum Pricing Methodologies and the Preparation of Spectrum Fees Schedule.

² Ibid.

³ Spectrum Pricing, GSMA Public Policy Position, 2017 Ed.

⁴ Ibid.

⁵ Ibid.

⁶ <<https://www.gsma.com/spectrum/what-is-spectrum/>>.

- Adoption by the NTC of Type approval requirements based on the most recent Wi-Fi technologies (802.11ac, 802.11ax, 802.11ad) and Wireless Ethernet standards.
- Allocation by the NTC of additional unlicensed, zero SUF spectrum such as TV White space.
- Reclassification of all current and future frequency bands for Cellular Mobile Telephony Service (CMTS) as Broadband Wireless Access (BWA) as defined by the International Telecommunications Union (ITU) and the 3G Partnership Project (3GPP).
- Classification of BWA frequencies other than those defined by ITU and/or 3GPP as “special use” frequencies

Finally, with specific reference to the proposed clarificatory MC, we recommend the following:

- Adoption of the latest international standards for current and emerging Wi-Fi technologies prescribed by the Institute of Electrical and Electronics Engineers (IEEE), including those based on 802.11ac, 802.11ax (Wi-Fi 6), for Wi-Fi using “open and unprotected” spectrum in the 2400 – 2483 MHz, 5150 – 5250 MHz and 5470 – 5850 MHz bands for both indoor and outdoor use by PTEs.
- Adoption of 10 Gbps as the minimum baseline for wireless data networks for wireless backhaul using the “open and unprotected” radio frequency spectrum because of the following reasons: (1) the 11 Mbps threshold under NTC MC 09-09-2003 is too outdated as it dates back to 1999 when the first generation Wi-Fi technologies (802.11a/b) was commercially introduced, considering that Wi-Fi standards continue to evolve and as a matter of fact, Wi-Fi 6 with 10Gbps is already commercially available; (2) wireless backhaul using “open and unprotected” frequencies are usually based on wireless ethernet and WLAN standards including 802.11-based solutions.
- Adoption of zero SUF for the open and unprotected frequencies and a minimal registration fee of Php50 per unit Access Point.
- To minimize radio frequency interference, only authorized PTEs and ISPs shall be allowed to use the open and unprotected frequencies for outdoor use. Hence, we propose the following verbiage:

Globe’s Proposed Provision	Rationale
<p>1. Only duly authorized PTEs, ISPs and/or partner entities of the Department of Information and Communications Technology (DICT) pursuant to Sec. 6 of Republic Act No. 10929, otherwise known as the Free Internet Access</p>	<ul style="list-style-type: none"> • This proposed provision will allow non-PTEs and non-ISPs to use the open and unprotected radio spectrum frequencies while at the same time, allowing PTEs and ISPs to use these as backhaul where after engineering

<p>in Public Places Act, shall be allowed to use radio stations operating within the RF bands 2400 MHz to 2483.5 MHz, 5150 MHz to 5350 MHz, and 5470 MHz to 5850 MHz as fixed point-to-point radio links.</p>	<p>design, thee are technically and economically viable.</p> <ul style="list-style-type: none"> • This will also enable ISPs to provide low-cost internet access for the price-sensitive consumers coming from those occupying the lower income brackets.
<ul style="list-style-type: none"> • We proposed the deletion of Section 2 which limits the use of radio links in the open and unprotected frequencies to 4th and 5th class municipalities. 	<ul style="list-style-type: none"> • Limiting the use of radio links in the open and unprotected frequencies to 4th and 5th class municipalities hinders the potential use of low-cost technology even if these are technologically and economically viable as a result of design engineering. • Deletion of Section 2 will also address the gap in regulation where one of the end points of the radio link is within a 1st to 3rd class municipality while the other is in a 4th and 5th class municipality.

To recapitulate, we propose the adoption of a zero-SUF policy for "open and unprotected spectrum" regardless of technology, consistent with the international best practices but maintain the Php50 per access point.

Thank you very much and we trust that the foregoing comments be considered in the final version of HB 6128.

Very truly yours,



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