



**NEW SALES PITCH:** President Noynoy Aquino has told Chinese businessmen — and, by extension, all foreign investors — that the Philippines under a new (his) management is open for business.

The President's sales pitch would be more convincing to hardnosed investors if he backed it up with clear signs of a leveled field and expeditious bureaucratic processing — all the way to Malacañang if/when a political decision is needed.

Look at the deal between the Philippine Long Distance Telephone Co. and the Digital Telecommunications Phils. Inc. Official action on it, favorable or not, has dragged on for months with no indication that a final decision is forthcoming soon.

Much of the Procedural Delay is traced to PLDT Smart's closest rival, Globe Telecom, asking for a series of postponements in the hearings before the National Telecommunications Commission.

The Political Delay is something else.

When it failed to hand down a ruling after Aug. 26, the third and hopefully last deadline, the NTC made it known that the matter was already in the hands of President Aquino.

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ODD MOVE: It was Globe that first tried to acquire Digitel shares, but the transaction did not push through.

But when PLDT came in to clinch the same deal, Globe raised a howl, calling it a monopoly in the making.

In a bid to derail the PLDT-Digitel arrangement, Globe chairman Jaime Augusto Zobel de Ayala reportedly wrote President Aquino to ask for the assignment of additional frequencies, arguing that PLDT tying up with Digitel would create an imbalance in the telecoms field.

That was an odd move because frequencies are not assigned but bid out.

Further, the Globe head sought presidential intervention on an issue under the sole jurisdiction of the NTC that is in charge of frequencies.

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FAST AND FURIOUS: Industry sources said Globe is desperate for new frequencies, having come late in the game on 3G/UMTS, which is crucial for mobile Internet services such as those provided to Smart phones and the now popular mobile Internet sticks.

Its rivals beat Globe to the draw, the same sources said, since it was slow in rolling out a UMTS network or upgrading its existing mobile network from general packet radio service (GPRS) to 3G or even 3.5G capacity.

In this fast and furious game, PLDT and Digitel can hardly be faulted for being aggressive in rolling out infrastructure to support the emerging trends in telecommunications.

Globe must take the blame for its failure to get the frequencies it desired.

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**REPEATED DELAYS:** In the NTC hearings, Globe first moved to delay the process by asking the commission to first resolve the opposition raised.

But at that time, the personality of the oppositors was still under question so the hearing could not be stalled.

Later, Globe moved that no hearing be set from June 25 to July 2, saying that its counsel would be attending a convention abroad.

That looked dilatory, because it is represented by a law firm that has a stable of able lawyers who were in town.

In its third bid to delay the hearing, Globe claimed that it did not have a complete copy of the Sale and Purchase Agreement and moved that it be furnished first with a copy.

The PLDT said this was not true since as early as May 26, in the interest of transparency and precisely to prevent delays, it furnished the NTC and all oppositors a complete copy of the SPA.

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**POLITICAL DELAY:** It has been more than a month since the NTC deemed the PLDT-Digitel deal case, including pleadings of oppositors, submitted for resolution.

On the side, PLDT chairman Manuel V. Pangilinan told the media that if the NTC did not issue a ruling by the last (Aug. 26) deadline, he would withdraw from the deal.

He did not, and speculations are rife that President Aquino must have told him to wait a bit.

The industry buzz is that before Aug. 26 and when the NTC was about to issue a ruling approving the deal, Globe executives sought an urgent audience with the President.

That top-level forum shopping could be the reason for the Political Delay (as opposed to Procedural Delay) we mentioned earlier.

The President is reportedly reviewing the deal since some people told him that it will create a monopoly — exactly the same business issue raised by Globe in all its pleadings.

But presidential intervention in purely private business shatters the picture that the Palace is trying to project that the playing field is now even, and that the same laws, policies and rules apply to all — regardless of how close businessmen are to the center of power.

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NO MONOPOLY: On the question of monopoly, the Senate committee on public services ruled after its hearings that monopoly is not prohibited per se but regulated when public interest so requires.

The committee added that acquisition, merger and consolidation (of telcos) have become a natural phenomenon worldwide given the rapidly evolving scientific advances in this age of heightened demand, competition and ultra-modern information technology.

The Senate body also said the PLDT-Digitel deal does not need legislative approval as it is similar to the acquisition by Globe of Islacom in 2001 that also did not require congressional authorization.

The committee noted: "The transaction involves the acquisition by a duly enfranchised telecommunications company, PLDT, of a controlling interest in another duly enfranchised telecommunications company, Digitel. The transaction is, therefore, in pursuit and furtherance of the businesses and operations contemplated under the respective legislative franchises of PLDT and Digitel. Hence the same does not require the approval of Congress."

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