



**MEMORANDUM CIRCULAR**

No. 09-09-2018

**SUBJECT: RULES AND REGULATIONS ON THE SELECTION PROCESS  
FOR A NEW MAJOR PLAYER IN THE PHILIPPINE  
TELECOMMUNICATIONS MARKET**

**WHEREAS**, Section 24, Article II of the 1987 Philippine Constitution declares that the State recognizes the vital role of communication and information in nation-building;

**WHEREAS**, Section 5 of Republic Act No. (RA) 10844, otherwise known as the “Department of Information and Communications Technology (DICT) Act of 2015”, provides that the DICT shall be the primary policy, planning, coordinating, implementing, and administrative entity of the Executive Branch of the government that will plan, develop, and promote the national ICT development agenda;

**WHEREAS**, RA 7925, otherwise known as the “Public Telecommunications Policy Act” likewise recognizes the vital role of telecommunications to national development and security, and under Section 5 thereof declares that the “National Telecommunications Commission (NTC) shall be the principal administrator of this Act and as such shall take the necessary measures to implement the policies and objectives set forth in this Act”;

**WHEREAS**, the World Bank (2009) has estimated that a 10% increase in broadband penetration would yield a 1.21% and 1.38% increase in GDP growth on average for high-income and low/middle-income countries, respectively;

**WHEREAS**, based on the 2017 annual report submitted by telecommunications companies, there are two (2) dominant telecommunications players in the Philippine Telecommunications Services market with a minimum of forty percent (40%) market share each;

**WHEREAS**, the entry of a new major player in the telecommunications market is a matter of paramount national interest which shall redound to the benefit of the public by ensuring genuine competition in the country’s telecommunications industry;

**WHEREAS**, President Rodrigo R. Duterte directed the NTC and the DICT to ensure the entry of a New Major Player (NMP) in the telecommunications industry that will provide the best possible services at reasonably accessible prices;

**WHEREAS**, complying with the presidential directive, the DICT issued Memorandum Order No. 001, series of 2018, as amended, prescribing the policy guidelines for the entry of an NMP in the Philippine Telecommunications Market;

**WHEREAS**, on 06 April 2018, President Rodrigo R. Duterte issued Administrative Order No. (AO) 11, creating an Oversight Committee for the entry of an NMP in the Philippine Telecommunications Market;

**WHEREAS**, the Oversight Committee and the NTC decided that the best way to select the NMP would be through a public, open, and competitive selection process among qualified congressional franchise holders that are not, or related parties to, the dominant telecommunications players as defined in this Memorandum Circular (MC);

**WHEREAS**, on 20 July 2018, the Oversight Committee decided that the NMP will be selected using the Highest Committed Level of Service model;

**WHEREAS**, the Oversight Committee directed the NTC to draft the rules and regulations to be used in the NMP selection process pursuant to the latter's quasi-legislative powers;

**WHEREAS**, on 08 August 2018, the NTC published the Notice of Public Hearing on the Draft NTC Memorandum Circular on the Rules And Regulations on the Selection of a New Major Player in the Public Telecommunications Market and conducted the scheduled Public Hearing thereon at the Novotel Hotel, Cubao, Quezon City on 23 August 2018;

**WHEREAS**, the NTC received substantial comments and recommendations during the public hearing as well as position papers submitted by interested parties to the NTC;

**WHEREAS**, the members of the Oversight Committee, the NTC, and the Philippine Competition Commission (PCC) evaluated these comments, recommendations, questions and position papers in the completion of this MC;

**NOW, THEREFORE**, pursuant to RA 7925, Act No. 3846 (Radio Control Law, as amended), Executive Order No. 546, series of 1979, and in faithful compliance with DICT Memorandum Order No. 001, series of 2018, as amended, and Administrative Order No. (AO) 11 dated 06 April 2018, and after due consideration of the comments, recommendations, and position papers, the following rules to govern and facilitate the selection of a NMP in the public telecommunications market are hereby promulgated:

## **SECTION 1. DEFINITION OF TERMS**

As used in this Memorandum Circular (MC), the following terms shall be defined as:

- 1.1 ***“Capital and Operational Expenditure”*** means the cumulative sum of Capital and Operational Expenditures in the Philippines of the Participant directly related to the installation, operation and maintenance of fixed (wired and wireless) networks, mobile networks, and offer all types of national and

international telecommunications services including broadband, calculated in accordance with applicable accounting standards associated with the provision of Nationwide Population Coverage and Minimum Average Broadband Speed by the Participant.

In accordance with Philippine Financial Reporting Standards (PFRS) and Philippine Accounting Standards (PAS), as applicable, Capital and Operational Expenditures are further defined as follows:

- a. **Capital Expenditures** shall refer to the initial cost of property and equipment which includes its purchase price and any cost attributable to bringing the property and equipment to its intended location and working condition. The term also includes:
  1. Expenditures which result in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance;
  2. Interest and other financing charges on borrowed funds specifically used to finance the acquisition of property and equipment to the extent incurred during the period of installation and construction;
  3. Assets under construction and transferred to the related property and equipment account when the construction or installation and the related activities necessary to prepare the property and equipment for their intended use are complete, and the property and equipment are ready for service; and
  4. Net present value of asset retirement obligations specifically on property and equipment installed/constructed on leased properties which arise from contracts to restore leased property to its original condition and dismantling and de-installation at the end of the contract period of the related property and equipment accounts.

For purposes of the Selection Process, Participants who have existing operations in the Philippines may include as part of their Capital Expenditures the net book value, as of its latest Annual Audited Financial Statements, of properties and equipment directly related to the installation, operation and maintenance of fixed (wired and wireless) networks, mobile networks associated with the provisioning of Nationwide Population Coverage and Minimum Average Broadband Speed by the Participant.

- b. **Operational Expenditures** refers to expenditures directly related to the installation, operation and maintenance of fixed (wired and wireless) networks, mobile networks associated with the provisioning of Nationwide Population Coverage and Minimum Average Broadband Speed by the Participant. Interest expense directly related to capital expenditures, as defined above and which are not capitalized, may be accounted for as operational expenditures. Operational Expenditures for purposes of this MC shall exclude depreciation and amortization on Capital Expenditures.

- 1.2 **“Certificate of Public Convenience and Necessity” (CPCN)** refers to the authority granted by the NTC to a qualified applicant to own, install, operate and maintain fixed (wired and wireless) networks, mobile networks, and offer all types of national and international telecommunications services including broadband. This is equivalent to a telecommunications license in foreign jurisdictions.
- 1.3 **“Congressional Franchise”** refers to a subsisting telecommunications franchise issued by the Congress of the Republic of the Philippines to own, install, operate and maintain fixed (wired and wireless) networks, mobile networks, and offer all types of national and international telecommunications services including broadband, at the time of the bid.
- 1.4 **“Dominant Telecommunications Player”** refers to a Congressional Franchise holder with a Market Share of at least a minimum of forty percent (40%).
- 1.5 **“Independent Auditor” (IA)** shall mean an independent auditor with the requisite professional qualifications based on the latest List of Accredited Auditing Firms under Group A of the Philippine Securities and Exchange Commission and appointed in accordance with the procedure in Section 13 of this MC. The IA shall test, validate and confirm the annual commitments of the NMP during the Commitment Period observing internationally accepted standards in the performance of their required functions.
- 1.6 **“Market Share”** refers to the number of telecommunications services subscribers for fixed (wired and wireless) networks, mobile networks, and all types of national and international telecommunications services including broadband, divided by the total number of telecommunications services subscribers. The term is limited to the Philippine telecommunications market.
- 1.7 **“Minimum Average Broadband Speed”** is to be measured in Megabits per second (Mbps) and means the committed minimum national average broadband speed applicable to both fixed and mobile broadband services which is available at least eighty percent (80%) of the time.
- 1.8 **“National Population Coverage”** means the service coverage of the Participant's network committed to be established in terms of specified barangays and its corresponding populations stated as a percentage of national population of the Philippines excluding any coverage provided by dominant telecommunications players under a national roaming or similar agreement. The population per barangay shall be based on the August 2015 Official Census conducted by the Philippine Statistics Authority, the details of which are contained in the Philippine Statistics Geographic Code Table as of June 2018.
- 1.9 **“Oversight Committee”** refers to the committee composed of the Secretary of the Department of Information and Communications Technology (DICT), Secretary of the Department of Finance (DOF), the Executive Secretary, and the National Security Adviser, as established by AO 11.

**1.10 “Participant”** refers to:

- a. A domestic corporation with a Congressional Franchise; or
- b. A Congressional Franchise holder covered by a binding Bidding Agreement entered into by committed investors seeking to become part of the NMP. The Bidding Agreement shall contain the following minimum required provisions:
  1. The Congressional Franchise holder shall increase its authorized capital stock to the levels required to comply with the terms, conditions, and obligations imposed on the NMP, in the event that it is selected as the NMP;
  2. The details of the number, amount and schedule of payments of parties to the Bidding Agreement in the event that the Congressional Franchise holder is selected as the NMP; and
  3. The parties to the Bidding Agreement acknowledge and recognize that the Congressional Franchise holder shall be the sole entity to be declared as the NMP and the recipient of the CPCN and related permits and licenses and bear the obligations arising thereto.

**1.11 “Participant's Outstanding Liabilities”** refers to a Participant's uncontested obligations to the NTC as of 01 October 2018, i.e., Supervision and Regulation Fees (SRF), Spectrum User Fees (SUF), including penalties, surcharges and interests.

**1.12 “Related Party,”** as defined under SEC Memorandum Circular No. 19, series of 2016, dated 22 November 2016, and as recommended by the Philippine Competition Commission (PCC) through its Comments submitted to the NTC, refers to a:

- a. Company's parent entity;
- b. Company's subsidiaries;
- c. Company's affiliates; or
- d. Any party (including their subsidiaries, affiliates, and special purpose entities) that:
  1. The company exerts direct or indirect control over;
  2. Exerts direct or indirect control over the company; or
  3. Together with the company, or the latter's subsidiaries or affiliates, is under common control by another person.
- e. The company's directors, officers, shareholders and related interests (DOSRI), and their family members within the fourth degree of consanguinity or affinity, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the company.

Finally, this also includes entities which have common economic interests and are not otherwise able to decide or act independently of each other.

## **SEC. 2. QUALIFICATIONS OF THE PARTICIPANTS FOR THE SELECTION OF THE NMP**

In addition to those provided for in Sec. 1.10, every Participant shall possess the following qualifications:

### **2.1 Legal Qualifications**

Holder of a Congressional Franchise that is not a Related Party to any Dominant Telecommunications Player and has no Participant's Outstanding Liabilities.

### **2.2 Financial Capability**

- a. In case of a Participant under Sec. 1.10(a), has a paid capital of at least ₱10B as indicated in its latest audited financial statements; or
- b. In case of a Participant under Sec. 1.10(b), the aggregate paid capital of its members should at least be ₱10B as indicated in their respective latest audited financial statements.

### **2.3 Technical Capability**

The Participant under Sec. 1.10(a) or one of its members under Sec. 1.10(b) shall have experience in the provisioning, delivery and operations of telecommunications services for the last ten (10) years on a national scale. The Participant and/or its members shall submit a certification to this effect from the official telecommunications agency of any of the countries where the Participant or any of its members operate.

The term "national scale" shall refer to the provisioning, delivery and operation of telecommunications services for a country, or particular regions thereof, as geographically designated by the telecommunications authority of that country.

## **SEC. 3. FREQUENCIES SUBJECT OF THE NMP SELECTION PROCESS**

### **3.1 Covered Radio Frequencies:**

The primary radio frequencies covered by this MC, which NTC shall assign to the NMP, are the following:

<b>FREQUENCY BAND</b>	<b>FREQUENCY RANGE</b>
<b>700 MHz</b>	738.0 – 748.0 MHz
	793.0 – 803.0 MHz
<b>2100 MHz</b>	1955.0 – 1970.0 MHz
	2145.0 – 2160.0 MHz
<b>2000 MHz</b>	2010.0 – 2025.0 MHz
<b>2.5 GHz</b>	2535.0 – 2555.0 MHz

<b>FREQUENCY BAND</b>	<b>FREQUENCY RANGE</b>
<b>3.3 GHz</b>	3300.0 – 3400.0 MHz
<b>3.5 GHz</b>	3480.0 – 3520.0 MHz

In preparing and submitting the Selection Documents under the terms of this MC, a Participant shall make its commitments and provide for the terms and conditions of its bid based on being assigned the above-listed Covered Radio Frequencies in the event it is selected as the NMP.

### **3.2 Contingent Radio Frequencies:**

In the event that there is a final and executory decision or resolution by the Courts in favor of the government in the consolidated cases of *“Bayan Telecommunications, Inc. vs. NTC G.R. No. 191656, Multi-Media Telephony, Inc. vs. NTC G.R. No. 205603 and Next Mobile Inc. vs. NTC G.R. No. 189221,”* the NTC shall, within a reasonable period of time, also assign the following radio frequencies to the NMP:

<b>FREQUENCY BAND</b>	<b>FREQUENCY RANGE</b>
<b>2100 MHz</b>	1970.0 – 1980.0 MHz
	2160.0 – 2170.0 MHz

Nothing in this MC shall be construed as granting to a Participant the right to expect that the terms of its commitments shall anticipate the eventual assignment of the Contingent Radio Frequencies or for the NMP to expect that the terms of its commitments and obligations to be bound by an assignment by NTC of such Contingent Radio Frequencies free and clean of all claims that have been interposed by various parties in several pending cases involving the Contingent Radio Frequencies.

### **3.3. Special Conditions on the Granted Radio Frequencies:**

The assignment of the Radio Frequencies to the NMP shall be made subject to compliance with its commitments during the “Commitment Period” as defined in Sec. 4.1.

## **SEC. 4. NMP SELECTION CRITERIA**

**4.1** The Selection Criteria shall be the following along with their respective weightage:

<b>Criteria</b>	<b>Weightage</b>
National Population Coverage	40
Minimum Average Broadband Speed	25
Capital and Operational Expenditure	35
<b>Total</b>	<b>100</b>

The Participant’s points shall be computed annually over a five (5) year period referred to as the “Commitment Period”.

**4.2** The annual cumulative score for the Commitment Period shall be computed as follows:

a. The minimum and maximum population coverage for each year shall be:

Year	Minimum	Maximum
1	10%	50%
2	20%	60%
3	30%	70%
4	40%	80%
5	50%	90%

For every whole one percent (1%) of National Population Coverage (NPC) over the minimum NPC up to a maximum NPC for each year, a Participant will receive one (1) point per annum.

Bids lower than the minimum population coverage for each year of the Commitment Period shall be rated as “non-compliant”, shall no longer be processed further, and shall immediately be set aside.

b. For every whole 2 Mbps of Minimum Average Broadband Speed over 5 Mbps up to a maximum Minimum Average Speed of 55 Mbps, a Participant will receive one (1) point per annum.

Bids of less than 5 Mbps minimum average broadband speed shall be rated as “non-compliant”, shall no longer be processed further, and shall immediately be set aside.

c. The minimum and maximum cumulative Capital and Operational Expenditure for each year shall be:

Year	Minimum	Maximum
1	₱ 40 B	₱140 B
2	₱ 65 B	₱165 B
3	₱ 90 B	₱190 B
4	₱115 B	₱215 B
5	₱140 B	₱240 B

For every ₱10 B of cumulative Capital and Operational Expenditure over the minimum Capital and Operational Expenditure for each year, a Participant will receive three and one-half (3.5) points per annum.

Bids lower than the minimum cumulative Capital and Operational Expenditure for each year of the Commitment Period shall be rated as “non-compliant”, shall no longer be processed further, and shall immediately be set aside.

Likewise, any blank, zero “0”, or invalid entry shall be rated as “non-compliant”, shall no longer be processed further, and shall immediately be set aside.



- d. Nothing shall limit or restrict a Participant from submitting entries beyond the maximum values provided in paragraphs (a), (b) and (c) above, but no additional point shall accrue to the Participant in these cases, except in deciding cases of ties as provided for in Sec. 7.4(c)(6).
- e. A Participant's annual point score shall be multiplied by the corresponding weightages in the table below reflecting the Government's policy on encouraging rapid network roll-out and the difficulty of deploying the NMP's networks and facilities in the shortest possible time:

Year	Weightages
1 <sup>st</sup>	100%
2 <sup>nd</sup>	140%
3 <sup>rd</sup>	130%
4 <sup>th</sup>	70%
5 <sup>th</sup>	60%

**SEC. 5. ORGANIZATIONS FOR THE IMPLEMENTATION OF THE NMP SELECTION PROCESS**

- 5.1 Selection Committee.** The NTC shall create a Selection Committee for the purpose of undertaking the selection process. The Committee shall be composed of a Chairperson, a Vice-Chairperson, and up to three (3) members from the NTC.

The NTC shall also create a Technical Working Group (TWG) and a Selection Committee Secretariat that shall respectively provide technical and legal, and administrative, support to the Selection Committee.

- 5.2 Quorum:** A majority of the Selection Committee shall constitute a quorum, provided that the presence of the Chairperson or Vice-Chairperson shall be required. The Chairperson shall preside over all meetings which shall be recorded, and the minutes thereof taken by the Secretariat. As a collegial body, the decision of at least a majority of those present at a meeting at which a quorum was present shall be valid and binding as an act of the Selection Committee.

- 5.3 Observers:** To enhance the transparency of the NMP selection process, the NTC *En Banc* shall formally invite the Commission on Audit (COA) to officially designate its representative who shall act as a non-voting observer to the Selection Committee and the NMP Selection Process. The NTC *En Banc* shall formally invite two (2) non-government/civil society organizations (NGO/CSO) — duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA) — with knowledge, experience or expertise in the telecommunications industry and consumer welfare to each nominate a representative who shall act as non-voting observers to the Selection Committee and the NMP Selection Process. The nominated observers shall immediately decline the NTC *En Banc* invitation or withdraw from being an observer as soon as an actual or potential conflict of interest arises.

**SEC. 6. PREPARATION AND SUBMISSION OF SELECTION DOCUMENTS**

Subject to such additional instructions or requirements specified in the Instruction to Participants, the Participants shall prepare and submit their Selection Documents on the specified date, time, and venue, in the following manner:

**6.1 FIRST SUBMISSION PACKAGE:**

This Package (one envelope or box) shall contain the Selection Process Qualification Documents enumerated in Section 6.2 below, and shall be properly sealed, and clearly/legibly marked as:

**“SELECTION PROCESS FOR NEW MAJOR PLAYER:  
FIRST SUBMISSION PACKAGE OF (NAME OF PARTICIPANT)  
(ORIGINAL SET)”**

The required three (3) copies shall similarly packed, sealed and serially clearly/legibly marked as follows:

**“SELECTION PROCESS FOR NEW MAJOR PLAYER:  
FIRST SUBMISSION PACKAGE OF (NAME OF PARTICIPANT)  
(COPY SET NO. 1)”**

**“SELECTION PROCESS FOR NEW MAJOR PLAYER:  
FIRST SUBMISSION PACKAGE OF (NAME OF PARTICIPANT)  
(COPY SET NO. 2)”**

**“SELECTION PROCESS FOR NEW MAJOR PLAYER:  
FIRST SUBMISSION PACKAGE OF (NAME OF PARTICIPANT)  
(COPY SET NO. 3)”**

The Participant shall also submit scanned or digitized copies of its Selection Process Qualification Documents in searchable and non-editable PDF files stored in two (2) flash drives contained in a duly marked sealed envelope as:

**“SELECTION PROCESS FOR NEW MAJOR PLAYER:  
FIRST SUBMISSION PACKAGE OF (NAME OF PARTICIPANT)  
(FLASH DRIVES)”**

Notwithstanding the submission of such scanned or digitalized copies of Selection Documents, each Participant shall be bound by the terms and entries contained in the hard copies submitted to the Selection Committee.

## 6.2 CONTENTS OF THE FIRST SUBMISSION PACKAGE

Without prejudice to such other additional documents as may be specified in the Instructions to Participants, the First Submission Package shall contain the following documents:

- a. Company Profile of the Participant under Section 1.10 (a) or all of the members of the Participant under Section 1.10 (b);
- b. Original and clear and legible copies of the Bidding Agreement of Participants as defined under Section 1.10 (b);
- c. Certification of technical capability from the respective official telecommunications regulatory agency of any of the countries where the Participant's committed investors are operating as required in Sec. 2.3;
- d. For the Participant Congressional Franchise Holder, clear and legible copy of the Congressional Franchise;
- e. For the Participant Congressional Franchise Holder, original and clear and legible copies of a Certificate of No Outstanding Liabilities as issued, and copies duly certified as true copies, by the NTC Regulation Branch;
- f. Clear and legible copies of the Securities and Exchange Commission (SEC) Certificate of Incorporation or Registration, Articles of Incorporation and By-Laws, and the latest General Information Sheet (GIS), duly certified as true copies by the SEC. For foreign investors who are parties to the Bidding Agreement under Sec. 1.10 (b), they shall submit **equivalent documents**, duly certified as true copies by the appropriate governmental equivalent of the Philippine SEC.
- g. Clear and legible copies of the Annual Audited Financial Statements (AAFS) for the last three (3) years, ex. 2015, 2016, and 2017, duly certified as true copies by the SEC.
  1. For foreign investors who are parties to the Bidding Agreement under Sec. 1.10(b), they shall submit **equivalent documents**, duly certified as true copies by the appropriate governmental regulator equivalent to the SEC;
  2. The AAFS must show that the Participant under Sec. 1.10(a), has a paid capital of at least ₱10 B; and
  3. For Participants as defined under Sec. 1.10(b), the AAFS of the parties to the Bidding Agreement must show an aggregate paid capital of at least be ₱10 B. The Participant shall provide a summary sheet together with its submission of AAFS and which summary sheet shall be validated during the detailed evaluation phase of the selection process.
- h. Omnibus Sworn Statement (OSS), duly executed by Participant under Sec. 1.10(a) and of the parties to the Bidding Agreement participating under Sec. 1.10 (b), which shall contain the following acknowledgments:

1. That the representative signing on behalf of the Participant is duly authorized to do, execute and perform any and all acts necessary to participate, submit the Selection Documents, and to sign and execute the ensuing documents, and accompanied by the notarized Special Power of Attorney, Board Resolution, or Secretary's Certificate, whichever is applicable;
  2. That the Participant has a valid and subsisting Congressional Franchise;
  3. That the Participant is not a Related Party to any Dominant Telecommunications Player;
  4. That each of the documents submitted are true and correct copies of the original documents of the Participant;
  5. That the Participant did not give or pay, directly or indirectly, any commission, amount, fee, or any form of consideration, pecuniary or otherwise, to any person or official, personnel or representative of the government in relation to this selection process;
  6. That the Participant, directly or through its committed investors under Section 1.10 (b), has experience in the provisioning, delivery and operations of telecommunications services for the last ten (10) years; and
  7. That the Participant has done its due diligence on the laws, rules and regulations, prevailing market environments, regulatory process and timelines of the relevant government agencies relating to the telecommunications industry.
- i. Sworn Undertaking, duly executed by Participant under Sec. 1.10 (a) and of the parties to the Bidding Agreement participating under Sec. 1.10 (b), declaring that the Participant shall undertake the following in the event it is selected as the NMP:
1. During the Commitment Period, or any extension thereof, the Participant will not merge or combine with, or become a Related Party to, any dominant telecommunications player. After said period, any merger, acquisition, or business combination, shall be subject to and shall comply with the Philippine Competition Act and other applicable laws;
  2. That the Participant or any of its committed investors (i) have accepted the qualification and selection criteria prescribed in this MC, and (ii) waives any right it may have to seek and obtain a writ of injunction or prohibition or restraining order against the NTC to prevent or restrain the qualification and selection process or any proceedings related thereto, and the confirmation of the NMP including issuance of the CPCN. Such waiver shall, however, be without prejudice to the right of a disqualified or losing Participant to question the lawfulness of its disqualification or the rejection of its submission by appropriate administrative or judicial processes not involving the issuance of a writ of injunction or prohibition or restraining order;

3. That the Participant shall mandatorily return to the NTC the assigned Radio Frequencies without condition should it become a Related Party to any Dominant Telecommunications Player within the Commitment Period or any extension thereof;
4. That the Participant shall strictly comply with all its obligations and undertakings in the event it is selected as NMP; and
5. That the Commitments and undertakings contained in its submitted Selection Documents shall be valid and binding for one hundred eighty (180) days from the date of submission or extended if necessary until an NMP is selected.
6. That the Participant commits to renew its Congressional Franchise upon its expiration within the reglementary period.

**j. Participation Security**

**1. Amount and Validity Period of Participation Security**

The Participant shall post a Participation Security in favor of the “National Telecommunications Commission” with a face value of ₱700 M equivalent to one-half percent (0.5%) of the minimum Capital and Operational Expenditure at the end of the Commitment Period. The Participation Security shall be valid for one hundred eighty (180) calendar days from the date for the submission and opening of the Selection Documents. The Selection Committee shall issue a written request if it needs the Participants to extend the validity of their Participation Security.

**2. Form of Participation Security**

The Participation Security shall be in the form of Cash or cashier’s/manager’s check, draft, or irrevocable letter of credit issued by a universal or commercial bank in the Philippines: Provided, however, that, if issued by a foreign bank, it shall be confirmed or authenticated by a universal or commercial bank in the Philippines. The Participants have the option to select the form of the Participation Security.

**3. Effect of Non-Submission of Participation Security**

Failure to enclose the required Participation Security in the form and amount prescribed herein shall automatically disqualify the concerned Participant.

**4. Recourse on the Participation Security**

The Participation Security shall be forfeited by the Participant in favor of the government under any of the following grounds:

- a. Submission of Selection Documents by the Participant containing false information or falsified documents;

- b. Refusal by the Participant to accept its confirmation as a provisional or selected NMP, or refuses to do any or all acts necessary under the submitted Selection Documents;
- c. Unjustified withdrawal from the NMP Selection Process by the Participant during the 180-day binding period; and
- d. The Participant attempts to unduly influence the outcome of the selection process.

**5. Release of Participation Security**

The Participation Security of the Participants will be released immediately upon issuance of the CPCN.

- k. Language, Translation, and Consular Authentication: If any of the qualification documents enumerated above are not written in Filipino or English, they must be accompanied by an accurate English translation. The Participants shall be solely responsible for the accuracy of the English translation and for the consequences of wrong translations.

The foreign investors who are parties to the Bidding Agreement under Section 1.10(b) that was declared and confirmed as the NMP shall submit clear and legible copies of the qualification documents enumerated above, duly authenticated by the Philippine Consular office in the country of origin, as among the pre-requisite documents to the issuance of the CPCN.

**6.3 SECOND SUBMISSION PACKAGE**

The Second Submission Package (one envelope or box) shall be submitted simultaneously with the First Submission Package, and shall contain the Participant’s duly accomplished **NMP Selection Documents Form A and Form B** enumerated in Section 6.4 below, and shall be properly sealed, and clearly/legibly marked as:

“SELECTION PROCESS FOR NEW MAJOR PLAYER:  
**SECOND SUBMISSION PACKAGE OF (NAME OF PARTICIPANT)**  
 (ORIGINAL SET)”

The required three (3) copies shall be similarly packed, sealed and serially clearly/legibly marked as follows:

“SELECTION PROCESS FOR NEW MAJOR PLAYER:  
**SECOND SUBMISSION PACKAGE OF (NAME OF PARTICIPANT)**  
 (COPY SET NO. 1)”

“SELECTION PROCESS FOR NEW MAJOR PLAYER:

**SECOND SUBMISSION PACKAGE OF (NAME OF PARTICIPANT)**

(COPY SET NO. 2)”

**“SELECTION PROCESS FOR NEW MAJOR PLAYER:  
SECOND SUBMISSION PACKAGE OF (NAME OF PARTICIPANT)**

(COPY SET NO. 3)”

Notwithstanding the submission of such scanned or digitalized copies of Selection Documents, each Participant shall be bound by the terms and entries contained in the hard copies submitted to the Selection Committee.

**6.4 CONTENTS OF THE SECOND SUBMISSION PACKAGE:**

Without prejudice to such other additional documents as may be specified in the Instructions to Participants, the Second Submission Package shall contain the following:

- a. **NMP Selection Documents Form A** is the filled-in electronic template of the specific barangays to be covered and the year of coverage, which shall also be stored in a suitable flash drive tagged as “Form A of (Name of Participant)” containing both the electronic spreadsheet (MS Excel) searchable and non-editable PDF file. The electronic media shall be accompanied by a printout of all the sheets which shall be signed on each and every page by the duly authorized representative of the Participant which shall be contained in an envelope or box marked as “Form A hardcopies of (Name of Participant)”.
- b. **NMP Selection Documents Form B** is the Participant’s Annual Bids and Weight, on the selection criteria which shall be signed on each and every page by the authorized representative of the Participant.

**SEC. 7. NMP SELECTION PROCEDURE**

**7.1 Publication and Posting**

- a. The “Invitation to Participate in the Selection Process for the New Major Player in the Philippine Telecommunications Market” (Invitation, for short) shall be published once in a newspaper of general nationwide circulation which has been regularly published for at least two (2) years before the date of issue of the Invitation. The Invitation shall also be posted, for a period of at least seven (7) calendar days in the NTC website ([www.ntc.gov.ph](http://www.ntc.gov.ph)) and at accessible and conspicuous places in the premises of the NTC Central office.
- b. The Invitation shall contain the following information:
  1. The Rationale and Objectives for the NMP Selection Process;
  2. A general statement on who may participate in the Selection Process;

3. A general statement on the criteria to be used to determine the qualifications of the Participants, the examination and evaluation of Selection Documents, Documents Verification Process, and Confirmation of the award;
  4. The place, time and website where the Selection Documents may be secured or downloaded;
  5. The cost of the Selection Documents, where at NTC it should be paid, and the proof of payment that should be issued by NTC;
  6. The date, time and place for the Pre-Selection Information Session;
  7. The date, time and place of the "Deadline for the Submission, Receipt, and Opening of the Selection Documents";
  8. The name, office address, telephone number, facsimile number, e-mail and website of the NTC, as well as its designated contact person;
  9. Reservation Clause; and
  10. Such other necessary information deemed relevant by the NTC.
- c. The Publication and Posting of the Invitation shall signal the start of the NMP Selection Process and, as such, the Selection Committee shall ensure that the NMP Selection Documents are ready for sale to, or download by, interested Participants or parties.
- d. The Selection Documents Fee is ₱1,000,000.00, with the Official Receipt issued by the NTC Cashier as the only acceptable proof or evidence of payment. The Selection Documents of Participants who have not paid the Selection Document Fee will not be accepted by the Secretariat and such fact shall be recorded in the abstract/record of selection documents received/rejected and reported to the Selection Committee at the start of the opening of selection documents phase of the selection process. The Selection Documents Fee shall be non-refundable.

## **7.2 NMP Selection Process Amendatory, Clarificatory, or Supplementary Bulletins**

The issuance and posting of NMP Selection Process Amendatory, Clarificatory, or Supplementary Bulletins are the principal manner through which the Selection Committee communicates with the prospective participants and the public at large regarding modification/amendments, clarifications, or supplements to the Instructions to Bidders and the NMP Selection Process Calendar of Activities. These bulletins shall become official and effective upon posting at the NTC website.

## **7.3 Pre-Selection Information Session**

- a. On the date indicated in the Invitation, the Selection Committee will conduct the Pre-Selection Information Session to ensure that the terms, conditions, and procedure of the NMP Selection Process are fully understood by the



prospective Participants in the interest of equal access to information and transparency.

- b. The Pre-Selection Information Session shall be open to all prospective Participants and interested stakeholders and will be audio and video recorded and the minutes thereof taken.
- c. While the Selection Committee shall endeavor to answer relevant questions and issues raised during the Pre-Selection Information Session, the answers verbally given shall not modify the Instruction to Participants, the Selection Process, or the Calendar of Activities, unless and until they are formally adopted in bulletins posted on the NTC website as provided in Sec. 7.2.
- d. Prior to the date of the Pre-Selection Information Session and up to seven (7) calendar days thereafter, prospective Participants and other interested parties may submit their written questions or requests for clarification via e-mail at **newmajorplayer@ntc.gov.ph**.
- e. The Selection Committee shall reply to written questions or provide the requested clarification through Bulletins issued for said purpose, **without disclosing the identity of the person, party, or prospective participant/s** who raised the question or requested for clarification, and posted in accordance with Sec. 7.2. To give prospective Participants ample time to adjust their respective Selection Documents, the Selection Committee shall endeavor to post the Bulletins herein referred to not later than five (5) calendar days before the date set for the submission of the Selection Documents.

#### **7.4. Submission, Opening and Preliminary Evaluation of Selection Documents**

##### **a. Submission, Modification, or Withdrawal of Selection Documents**

1. A Participant shall submit its Selection Documents to the Selection Committee Secretariat on or before the deadline set by the Selection Committee. Selection Documents submitted **after** said deadline shall be marked "LATE", recorded in the abstract of submissions, and returned to the Participant unopened.
2. A Participant may modify submitted Selection Documents, provided that this is done **before** the deadline set. Where a Participant modifies any of its Selection Documents, it shall not be allowed to retrieve the original submissions, and may only submit the modified versions of the relevant Selection Documents, marked as "MODIFICATIONS", complying with Secs. 6.1 to 6.4. Modifications received **after** the deadline shall not be accepted, shall be recorded in the abstract of submissions, and shall be returned to the Participant unopened.

3. A Participant may withdraw its Selection Documents or express its intention not to participate in the NMP Selection Process **before** the deadline set for the submission of Selection Documents.
4. The Selection Committee shall forfeit the Participation Security of a Participant that withdraws its Selection Documents **after** the deadline for the submission and receipt of Selection Documents and the start of the Opening of the Submitted Selection Documents.

**b. Opening of the Submitted Selection Documents**

1. The Selection Committee shall open the submitted Selection Documents immediately after the deadline for the submission and receipt of Selection Documents. The sequence of the opening of submitted Selection Documents shall be “first-in, first open” based on the Abstract of Submissions submitted by the Secretariat.
2. In the event that only one Participant submitted its Selection Documents on time, the same shall not result in a failure of selection, nor will it result in such lone Participant being declared as the NMP. The Selection Committee shall continue with the NMP Selection Process Procedure in accordance with this MC.
3. The presence or absence of the Participants or their duly authorized representatives at this stage will in no way affect the validity of the process. The Selection Committee shall at all times ensure the integrity, security, and confidentiality of all submitted Selection Documents. The Abstract of Submissions and the minutes of the Opening of Submitted Selection Documents shall be made available to the public upon written request and payment of a specified fee to recover cost of materials.

**c. Evaluation of Selection Documents**

1. Upon the expiration of the appointed time for the submission of the Selection Documents, the Selection Committee shall formally announce the closing of the submission period, and formally announce opening of the First Submissions in the order of receipt.
2. The First Submissions shall be opened and vetted for completeness and compliance. Only those First Submissions found complete and compliant with the requirements under Sec. 6.2 shall be qualified to proceed in the selection process. The First Submissions found incomplete or non-compliant shall be marked “NON-COMPLIANT” and the concerned Participant(s) shall be disqualified from further participation.
3. The Second Submissions of the remaining qualified Participants shall then be opened and vetted for completeness and compliance. Only those Second Submissions found complete and compliant with the requirement under Sec. 6.4 shall be entitled to proceed with the selection process. The Second Submissions found to be incomplete or non-compliant shall be

marked "NON-COMPLIANT" and the concerned Participant(s) shall be disqualified from further participation.

4. The Selection Committee shall immediately prepare a tabulation of the ranking of qualified Second Submissions, and make the results known to the representatives of the Participants.
5. The Selection Committee shall announce the Participant with the highest points, who shall then be the provisional NMP, subject to Document Verification Phase as provided under Sec. 7.5.
6. Where two (2) or more Participants tie for the highest points, the following tie-breaking formula shall be observed:
  - a. The highest value for each selection criteria in each year among the tied Participants shall serve as the denominator against which all commitments shall be divided for that year. The resulting value shall be multiplied with the weight of the respective criteria and the weight of the applicable year. The Participant with the highest aggregate points for the entire Commitment Period shall be declared the provisional NMP.
  - b. In the event of another tie, after the application of the preceding paragraph, the Participant with the highest score in the first two (2) years, utilizing the preceding formula, shall be declared the provisional NMP. In case there is still a tie, the Participant with the highest score in the first three (3) years of the Commitment Period shall be the provisional NMP; and successively until only one (1) Participant remains as being the provisional NMP.

In case there is still a tie, the Selection Committee may adopt a measure that shall be non-discretionary and non-discriminatory such that the same is based on sheer luck or chance. The Selection Committee may use "draw lots" or similar methods of chance.
7. The provisional NMP as announced by the Selection Committee shall then undergo the Document Verification Phase.

#### **7.5 Document Verification Phase**

- a. The Selection Committee shall verify, validate and ascertain all the submitted Selection Documents of the provisional NMP within a period of three (3) days from the announcement of the provisional NMP.
- b. If after the completion of the verification phase it is confirmed that the provisional NMP's submitted Selection Documents are valid, the Selection Committee shall then declare the provisional NMP as the NMP.
- c. If the provisional NMP fails Document Verification Phase, the Selection Committee shall immediately announce the provisional NMP in writing of its disqualification and the grounds therefore.

Upon the disqualification of the provisional NMP, the Selection Committee shall announce the Participant with the second highest points as the new provisional NMP, who shall then undergo the Document Verification

process, and so on as the case may be, until the NMP is determined and declared.

#### **7.6 Final Confirmation of the NMP**

- a. The Selection Committee shall submit its Resolution with the Abstract of Documents Verification recommending the declaration of the NMP to the NTC *En Banc* for its final confirmation.
- b. The NTC *En Banc* shall review the Selection Committee's Resolution and finds the same in order, it shall issue the Confirmation Order in favor of the selected NMP.

#### **SEC. 8. MOTIONS FOR RECONSIDERATION AND PETITION**

- a. Any Participant may move, in writing, for reconsideration of the Selection Committee's decisions at any stage of the process within three (3) calendar days of such decision. The Selection Committee shall decide the issue within three (3) calendar days from receipt of the motion.
- b. A denial of the motion for reconsideration may be appealed by filing a verified petition with the NTC *En Banc* within three (3) calendar days upon receipt of the denial of the motion for reconsideration, accompanied by a non-refundable filing fee paid in cash or Cashier's check payable to the National Telecommunications Commission in the sum of ₱10,000,000.00.
- c. The verified petition shall be resolved by the NTC *En Banc* within three (3) calendar days strictly based on records of the Selection Committee.

#### **SEC. 9. RESERVATION CLAUSE**

Nothing in this MC shall prevent the NTC *En Banc* from exercising its right to terminate the NMP selection process at any time, for justifiable and necessary reason, in which event, the NTC shall not be liable for any claims, whether administrative, civil or criminal in character. The NTC *En Banc* reserves the right to reject any or all proposals, waive any minor defects therein and accept the offer it deems most advantageous to the government.

#### **SEC. 10. ISSUANCE OF CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (CPCN) AND TERM**

**10.1** Within a period of ninety (90) calendar days from issuance of the Confirmation Order, the NMP shall submit the following documents necessary for the processing of its CPCN:

- a. PCC approval of the Bidding Agreement implementation, if applicable;
- b. Compliance by NMP of Paid Capital of at least ₱10 B and implementation of the relevant provisions of the Bidding Agreement, if applicable to a

Participant which has been selected as NMP, accompanied by an SEC clearance that the terms of the Bidding Agreement comply with the relevant rules on the limitation of foreign equity ownership;

- c. Congressional approval of sale or transfer of capital stock vesting controlling equity interests in another person or entity as may be provided for in the Congressional Franchise;
  - d. Business Plan for the entire Commitment Period containing the following items:
    - 1. Capital and Operational Expenditures as defined in Sec. 1.1;
    - 2. Sources of funding and financing to support the Commitments;
    - 3. Projected cash flow;
    - 4. Planned technology deployment;
    - 5. Marketing plans and programs;
    - 6. Indicative tariff rates;
    - 7. Identification of the key risks and mitigation strategies; and
    - 8. Identification of existing agreements with existing ICT players, if any.
  - e. Documents required to be authenticated by the Philippine embassy or consulate under Sec. 6.2(k); and
  - f. Roll-Out Plan for the entire Commitment Period, containing, among others, the following:
    - 1. Indication of the start of commercial operations;
    - 2. Detailed schedules that are consistent with its Commitments within the Commitment Period;
    - 3. Specific areas to be covered, technology and equipment to be used, target subscribers, projected financial results of operations and service rates; and
    - 4. Detailed description that shows that NMP's networks and facilities will not compromise national security and shall abide with the National Cybersecurity Plan.
- 10.2** The NTC shall have fifteen (15) calendar days within which to evaluate the NMP submissions enumerated in Sec.10.1 in relation to the committed levels of service and Capital and Operational Expenditure commitments throughout the Commitment Period.
- 10.3** Thereafter, the NTC shall issue a written notice, through e-mail, to the NMP to submit its Performance Security in accordance with Sec. 11 below within a period of fifteen (15) calendar days from receipt of notice through e-mail.
- 10.4** Upon the posting and verification of the Performance Security, the NTC shall issue a CPCN with a term of fifteen (15) years or until the expiry of the NMP's Congressional Franchise, whichever is shorter. The CPCN to be issued shall embody the "Commitments" that must be complied with during the "Commitment Period".

**10.5** The NMP may apply for the renewal of its CPCN within a reasonable time before the expiration of the period as provided in Sec. 10.4 hereof, subject to the regular renewal process for CPCNs and compliance with the conditions and obligations as contained in the CPCN.

## **SEC. 11. PERFORMANCE SECURITY**

### **11.1 Amount and Validity Period of Performance Security**

To guarantee the faithful performance by the NMP of its obligations under the Selection Documents and the CPCN, it shall post a Performance Security in favor of the "National Telecommunications Commission" prior to the issuance of the CPCN. The Performance Security shall always be maintained at ten percent (10%) of the remaining cumulative Capital and Operational Expenditures Commitments (as contained in the Selection Documents or Business Plan, whichever is higher) for the remainder of the Commitment Period or any extensions thereto.

### **11.2 Form of Performance Security**

The Performance Security shall be in the form of cash or cashier's/manager's check, draft, or irrevocable letter of credit, issued by a domestic or foreign universal or commercial bank. If the Performance Security is issued by a foreign bank, it shall be confirmed or authenticated by a universal or commercial bank in the Philippines

### **11.3 Recourse on the Performance Security**

The Performance Security shall be forfeited in favor of NTC upon the following grounds:

- a. Failure to comply with its Commitments in any year within the Commitment Period;
- b. Failure to comply with its undertakings as provided in Sec. 6.2(i)(1, 3, and 4);
- c. Refusal or failure to comply with the obligations under Sec. 12; and
- d. Failure to meet the Committed Level of Service per audit report submitted by the Independent Auditor.

## **SEC. 12. REPORTORIAL REQUIREMENTS OF THE NMP**

### **12.1 Quarterly Reports**

The NMP shall submit a quarterly report to the NTC on the delivery of its Commitments and its progress in pursuing its Roll-Out Plan. In such report, the NMP shall include its total number of fixed and mobile subscribers, whether pre-paid or post-paid, and other items as may be required by the NTC such as, but not limited to:

- a. Number of subscribers (by region, by type of service);

- b. Roll-out of the service and/or spectrum;
- c. Actual usage of the spectrum;
- d. Geographic information of infrastructure (with maps and coordinates);
- e. List of cell towers, base stations, and gateway facilities (including status of operations and co-location agreements);
- f. Annual reports;
- g. Agreements with third parties which are material to any telecommunication services; and
- h. Co-use agreements.

## **12.2 Annual Audited Financial Statements**

The NMP shall submit its annual audited financial statements, duly audited by an SEC-accredited auditing firm falling under Group A, to the NTC along with a special schedule sufficiently describing in detail the annual Capital and Operational Expenditures as defined in Sec. 1.1, reported in accordance with PFRS and PAS.

## **SEC. 13. ANNUAL AUDIT OF COMMITTED LEVEL OF SERVICE**

- 13.1** Within one hundred eighty (180) days after the issuance of the Confirmation Order, the NMP shall nominate five (5) IAs as defined in Sec. 1.5. The NMP shall also submit to the NTC, the legal, technical and financial capacity documents of each nominee to establish their capability to implement the tasks required of the IA.
- 13.2** The NTC shall evaluate the legal, technical, and financial capacity of each nominee and provide the NMP a shortlist of two (2) nominated IAs. The NMP shall negotiate with the short-listed IAs and, within thirty (30) days from receipt of the shortlist, notify NTC of its chosen IA. The NTC shall, unless it has any objections, promptly confirm the appointment of the IA within ten (10) days from notice.
- 13.3** The NMP shall pay for the services of the IA in accordance with its commitments under this MC. Such payment shall form part of the NMP's Operational Expense commitments.
- 13.4** The IA shall perform the tests and measurements annually for the entire Commitment Period in accordance with internationally accepted standards.
- 13.5** The IA shall observe the following:
- a. Commencement and Period to Conduct Tests**

The IA shall conduct tests and measurements starting on the annual anniversary date of the issuance of the CPCN. All tests and measurement samples must be completed within thirty (30) days thereof.
  - b. On National Population Coverage**

1. For fixed networks (fiber to the home [FTTH], twisted pair and coaxial cable), population coverage shall be determined based on the areas where FTTH, twisted pair and coaxial cable are installed.
2. For fixed networks using wireless access and mobile networks, the coverage area shall be determined based on the areas where the signal strength is at least -105dBm unless otherwise determined by the IA.
3. The total population of a barangay is considered covered if at least 80% of the population have access to the fixed, fixed wireless and mobile networks.

**c. On Minimum Average Broadband Speed**

1. The minimum average broadband speed shall be measured using the lowest comparable or equivalent offered service plan, the IA shall subscribe to said Plan and perform the tests and measurements using the Broadband Speed Test Agent/Software/Application and test procedures prescribed by the Commission.
2. There shall be an appropriate number of tests and measurement samples as determined by the IA completed within thirty (30) days from the annual anniversary date of the issuance of the CPCN.
3. The tests and measurements shall be conducted anytime from 0000HRS to 2400HRS, any day and anywhere within the areas covered by the commitment.

**13.6** Within fifteen (15) business days after the completion of the tests and measurements, the IA shall submit its official report to the Commission stating, among others, the population covered and the minimum average speed delivered.

**13.7** The NTC reserves the right to require the replacement, substitution, or rotation of IAs during the Commitment Period for justifiable reasons.

**13.8** Dispute Resolution

- a. In the event of a disagreement or dispute with respect to the final audit findings by the IA, such disagreement or dispute shall immediately be referred to the Dispute Resolution Board.
- b. The Dispute Resolution Board shall promptly resolve such disagreement or dispute not later than ten (10) calendar days from the date of submission, unless mutually extended by the parties.
- c. The Dispute Resolution Board shall be composed of:
  1. A representative to be chosen by the NTC;
  2. A representative to be chosen by the NMP; and
  3. A third representative chosen by the first two representatives.



- d. The decision of the Dispute Resolution Board on any disagreement or dispute submitted to it for resolution shall be final. No disagreement or dispute may be referred for resolution beyond thirty (30) days from receipt of the final audit by the IA.

#### **SEC. 14. SANCTIONS FOR BREACH OF COMMITMENTS**

Failure of the NMP to comply with any of its commitments shall be considered a breach. The NMP shall be allowed a period of six (6) months to remedy such breach and shall only be allowed two (2) remediations within the Commitment Period. Upon failure of the NMP to remedy the breach within the period allowed, the NTC shall:

1. Forfeit the Performance Security;
2. Consider the breach to be a breach of the Special Conditions in the CPCN, impose applicable penalty and bring a *quo warranto* proceeding; and
3. Consider the breach to be a breach of the Special Conditions attached to the Radio Frequencies, and thereby proceed to the process of recalling the Radio Frequencies assigned to the NMP.

Provided, that, should the NMP fail to use any radio frequency spectrum below 3GHz awarded to it within the timeframe stated in its roll-out plan, the subject radio frequency spectrum shall revert to the government.

#### **SEC. 15. FINAL PROVISIONS**

- 15.1 National Priority Project.** The processes covering the selection of the NMP under this MC constitutes a priority infrastructure project of the government and thereby shall be exempt from being subjected to any temporary restraining order, preliminary injunction or preliminary mandatory injunction, except by the Supreme Court.
- 15.2 Exceptions to Related Party Rule.** The prohibition on the NMP becoming a Related Party to a Dominant Telecommunications Player shall not apply to any co-use, interconnection, infrastructure and tower-sharing agreements for the benefit of the NMP.
- 15.3 Construction and Interpretation of this MC.** Provisions and procedures specified in this MC shall be construed in favor of achieving the intended purpose of this selection process.
- 15.4 Sunset Clause.** This MC shall be *functus officio* upon written confirmation or certification by the NTC *En Banc* that the NMP has successfully complied with all of its commitments and obligations under this MC. Thereafter, the NMP shall then be subject to the applicable subsisting rules and regulations governing the telecommunications industry.
- 15.5 Repealing Clause.** Any circular, order, memoranda or parts thereof inconsistent herewith are deemed repealed or amended accordingly.

**15.6 Separability Clause.** If any section of part of this MC is held unconstitutional or invalid, the other sections or provisions not otherwise affected shall remain in full force and effect.

**15.7 Effectivity Clause.** This Circular shall take effect fifteen (15) days after publication in a newspaper of general circulation and three (3) certified true copies furnished the University of the Philippines Law Center.

Quezon City, Philippines.

Done this 20<sup>th</sup> day of September, 2018.



**GAMALIEL ASIS CORDOBA**  
Commissioner



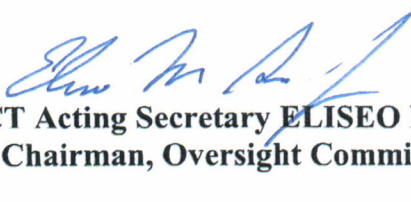
**EDGARDO V. CABARIOS**  
Deputy Commissioner



**DELILAH F. DELES**  
Deputy Commissioner

**Noted:**

**For the Oversight Committee:**



**DICT Acting Secretary ELISEO M. RIO, JR.**  
Chairman, Oversight Committee

**HCLoS + Capex/Opex**

**"Form A"**

**[Download this electronic spreadsheet from NTC website: [www.ntc.gov.ph](http://www.ntc.gov.ph)]**

Criteria, Points, Weight	Coverage (Year)				
	FY 1	FY 2	FY 3	FY 4	FY 5
Coverage (annual)					
Cumulative Coverage					
Coverage Points					
Speed					
Speed Points					
Capex/Opex (annual)					
Cumulative Capex/Opex					
Capex/Opex Points					
Annual Rating					
Weight	100%	140%	130%	70%	60%
Final Bid Rating					

Form A  
Pre-encoding

**NOT  
COMPLIANT**

**Participant Name:**

*[Name of Participant]*

2018-09-20 10:26:30

*[Signature of Authorized Representative]*

*[Name of Authorized Representative]*