

## On the Issue of Radio Frequencies **Globe is asking for special privileges -- PLDT**

With respect to recent statements of Globe Telecom urging government to “divest” PLDT of some of the radio frequencies currently assigned to it, we wish to reiterate the following points:

1. There is no legal or factual basis for compelling PLDT to return the frequencies assigned to it.

Under the law, operators can be divested of their frequencies if they (1) fail to use it, and (2) if they don’t pay the required fees. Neither situation applies to PLDT. The radio frequencies of PLDT and Smart are being fully utilized to provide cellular and wireless broadband service to its 48 million subscribers. PLDT and Smart pay the proper fees for the use of the assigned frequencies.

Moreover, of the three cellular operators, Smart has been the most efficient in using the radio frequencies assigned to it. As shown in the table below, Smart is able to serve 425,000 subscribers per mega hertz of frequency. The most inefficient has been Globe, only 316,000 per MHz.

**In short, Globe is asking the government to punish the most efficient operator and to reward the most inefficient.**

2. Globe continues to repeat its self-serving and fallacious arguments that (1) PLDT has an “excessive” number of frequencies; and (2) there must be a “fair sharing” of frequencies.

The “fair” way to look at this question is to consider the total number of frequencies in relation to the subscriber base of the operator. By that measure, the frequencies assigned to PLDT is far from being “excessive”.

The total number of frequencies assigned to PLDT is 112.5 MHz, 155 MHz if you include those of Digitel/Sun. Globe has a total of 90 MHz. That allocation is hardly anomalous considering that Smart alone has 45.6 million subscribers, versus 26.5 million of Globe (as of end-2010).

Globe’s assumption that it must be the recipient of the frequencies that it wants taken from PLDT is to, put it mildly, breathtaking. Globe wants the government to provide it with a gift – ill-gotten frequencies for free.

“To Globe, it appears that the only ‘fair’ arrangement is what gives them special privileges,” said Ramon R. Isberto, PLDT spokesperson.

“There are clearly defined processes and procedures for acquiring frequencies. They should join the rest of humanity and apply for them in the proper way,” he added.

### ANALYSIS OF RADIO FREQUENCY ASSIGNMENTS

	PLDT only	SUN only	SMART + SUN	GLOBE	Total
Frequency	112.5 MHz	42.5 MHz	155.0 MHz	90.0 MHz	245
Subscribers (in Mns)	47.84	15.00	62.84	28.43	91.3
Subs per MHz (x 1000)	425 K	353 K	405 K	316 K	

- As of June 30, 2011

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#### About PLDT

PLDT is the leading telecommunications service provider in the Philippines. Through its three principal business groups –fixed line, wireless, and information and communications technology – PLDT offers a wide range of telecommunications services across the Philippines’ most extensive fiber optic backbone and fixed line and cellular networks.

PLDT is listed on the Philippine Stock Exchange (PSE:TEL) and its American Depositary Shares are listed on the New York Stock Exchange (NYSE:PHI). PLDT has one of the largest market capitalizations among Philippine-listed companies.

Further information can be obtained by visiting the web at [www.pldt.com.ph](http://www.pldt.com.ph).

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