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# PHILIPPINE COMPETITION BULLETIN

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# PCC, NTC hold dialogue on block timing agreement regulation

By Paul Jeffrey Ballentos





NTC Legal Branch Director II Andres Castelar and Broadcast Services Division Officer-in-Charge Anna Liza Buenviaje (left photo, foreground) discuss the salient points of NTC Memorandum Order No. 004-06-2022 during the dialogue organized by the PCC Economics Office and moderated by PCC Executive Director Kenneth Tanate (right photo).

The Philippine Competition Commission (PCC) convened a strategic policy dialogue (SPD) with the National Telecommunications Commission (NTC) to discuss regulations concerning block timing practices in the Philippine free TV industry. Held on May 24, the dialogue focused on policies with potential antitrust issues and their impact on industry dynamics.

During the session, Economist II Gwyneth Mae Ramos of the PCC Economics Office presented the key findings of a study on block timing agreements in the Philippine free TV sector. The discussion delved into NTC Memorandum Order No. 004-06-2022, which regulates leasable network airtime by capping at no more than 50 percent the total airtime subject to a block time agreement, and requiring radio and television broadcasting firms to submit their block time agreements to the NTC for review and approval.

Ramos highlighted potential challenges posed by this regulation, including barriers to market entry, increased costs, regulatory uncertainties, and potential distortions in competition. Stakeholders interviewed for the study expressed concerns about NTC's jurisdiction in issuing such a regulation, noting the lack of prior consultations before the order was issued.

NTC Legal Branch Director II Andres Castelar clarified that the order falls within the agency's general regulatory powers under the amended Public Service Act (Republic Act No. 11659). He emphasized the order's objective of ensuring that licensee networks holding

a certificate of public convenience and necessity, or a provisional authority, are the primary users of airtime, rather than non-license holders through block time arrangements.

NTC Broadcast Services Division Officer-in-Charge Anna Liza Buenviaje further explained that the NTC has yet to receive submissions on block time agreements, as the 50 percent threshold has not been reached. She also noted that the self-regulating media council, the Kapisanan ng mga Brodkaster ng Pilipinas (KBP), has set a lower threshold of 40 percent.

The PCC furnished NTC with a copy of the research paper for review and comments before publication. During the dialogue, PCC Executive Director Kenneth Tanate explained that the research paper serves as an independent exploration of market structures within PCC's jurisdiction and is not an official position paper or Commission decision.

The PCC initiates SPDs to address crucial competition policy issues within various sectors. By facilitating these dialogues, the PCC operationalizes the objectives of the National Competition Policy, which include promoting fair market practices, preventing anti-competitive behavior, and fostering a competitive environment that benefits consumers and businesses alike. These initiatives play a vital role in ensuring that regulatory decisions align with national economic goals and contribute to sustainable economic development.

### 23<sup>rd</sup> Annual Conference in Brazil PH leads ICN advocacy plenary session

■ ■ By Lea Gomez



Executive Director Kenneth Tanate led the Philippine Competition Commission (PCC) delegation to the 23rd International Competition Network (ICN) Annual Conference in Sauípe, Brazil, on May 14-17. The event served as a platform for competition authorities and experts from around the globe to discuss the latest issues in competition law enforcement and policy. Tanate led the panel discussion for the Advocacy Working Group's (AWG) plenary session titled "Conducting Market Studies to Understand Competition in Emerging Markets."

"Given the advancement in technology within emerging markets, competition authorities and sector regulators are facing challenges on how to enforce the law or develop regulations. Thus, it is paramount to have a good understanding of these markets," Tanate said.

Panelists for the session included Commissioner Saverio Valentino of Italy's *Autorità Garante della Concorrenza e del Mercato* (AGCM), Chairperson Ravneet Kaur of the Competition Commission of India (CCI), Commissioner Sungsam Kim of the Korea Fair Trade Commission (KFTC), and Lucia Ojeda, non-governmental advisor to Mexico's *Comisión Federal de Competencia Económica* (COFECE).

Panelists shared their experiences in enforcing competition law and developing relevant regulations in the face of a rapidly changing technological landscape. They likewise shared valuable insights and experiences regarding the identification and scope of studies in emerging markets, methodologies and practical approaches for conducting such studies, and the application of study results along with stakeholder engagement.

As co-chair of the ICN AWG, the PCC likewise helped organize breakout sessions on "Making Labor Markets Work Better" and "Navigating Economic Turbulence: The Role of Competition Authorities in Macroeconomic Stabilization and Growth."

Besides Tanate, the PCC delegation also included Office of the Commission Clerk and Sheriff (OCCS) Director Sheryl Fortune Supapo-Sandigan and Capacity Building and Advocacy Division (CBAD) Chief Inah Geneve Mangilin.



# Cebu business community pledges support for fair competition

By Davinci Maru

Business organizations, trade associations, and cooperatives in Cebu have pledged their support to the Philippine Competition Commission (PCC) in promoting a culture of competition in the country.

The Cebu Chamber of Commerce and Industry, PhilExport Cebu, and the Philippine Chamber of Commerce and Industry-Visayas, among others, took the Competition Advocacy Pledge (CAP) during a roundtable discussion held in Mandaue City on June 19.

"This is just the start of our hopefully long journey together as stalwarts of fair market competition," PCC Communications and Knowledge Management Office (CKMO) Assistant Director Ferdinand Paguia told attendees of the roundtable.

In taking the pledge, leading business organizations have committed to uphold the principles and provisions of the Philippine Competition Act (PCA), collaborate with the PCC on advocacy initiatives, stay informed about the Philippines' competition landscape, and expand the network of competition advocates.

The following organizations and individuals took the pledge last June 19:

- · Cebu Chamber of Commerce and Industry
- · PhilExport Cebu
- Philippine Chamber of Commerce and Industry-Visayas
- · Cebu People's Multi-Purpose Cooperative
- · Central Visayas Multi-Purpose Agricultural Cooperative

- · Legal Alternatives for Women Center, Inc.
- · El Pardo Transport Cooperative
- · CVCCO Multipurpose Cooperative
- · Integrated Bar of the Philippines Cebu City Chapter
- · Saint Vincent De Paul Multipurpose Cooperative member
- · USC and Community Multipurpose Cooperative member
- · Oud Cebu Agriculture Cooperative member

Capacity Building and Advocacy Division Chief Inah Geneve Mangilin explained that CAP is one of the component projects of the PCC's Champions of Competition Program.

"Pledges can be made by individuals in their private capacity, or by groups, companies, and organizations through their official representatives," Mangilin said.

Representatives of the Philippine Chamber of Commerce and Industry, Philippine Retailers Association, Pharmaceutical and Healthcare Association of the Philippines, and Financial Executives Institute of the Philippines were the first to take the pledge when the project was launched in Manila last November 2023.

During the roundtable discussion in Cebu, Atty. Princess Emeresa Naga of the PCC Competition Enforcement Office presented an overview of the PCA, including a background on the creation of the PCC.



PCC Communications and Knowledge Management Office (CKMO) OIC Assistant Director Ferdinand Paguia (center, front) and Competition Enforcement Office (CEO) lawyer Princess Emeresa Naga (leftmost, front) during the roundtable discussion with representatives of various Cebu-based business organizations, trade associations, and cooperatives.



Atty. Nestor Crispin Miguel Lumapas of the Integrated Bar of the Philippines-Cebu City takes the Competition



Manuel Monzon of Central Visayas Multi-Purpose Agricultural Cooperative and Atty. Virginia Palanca Santiago of Legal Alternatives for Women Center, Inc. sign up for the Competition Advocacy Pledge.



Cebu Chamber of Commerce and Industry (CCCI) President Jay Yuvallos and Philippine Chamber of Commerce and Industry (PCCI) Area Vice President for the Visavas Melanie Na take the Competition Advocacy Pledae.

#### **ADVOCACY ROUNDUP**

# PCC hosts final round of AFAC negotiations

■ ■ By Lea Gomez



The Philippine Competition Commission (PCC) hosted the concluding negotiation for the ASEAN Framework Agreement on Competition (AFAC) last June 13-14. PCC Commissioner Lolibeth Ramit-Medrano chaired the AFAC negotiations.

The AFAC serves as a regional agreement that facilitates cross-border cooperation and coordination on matters concerning competition policy and law among

Association of Southeast Asian Nations (ASEAN) member-states. It seeks to integrate a competition lens into regional and domestic economic policies and implement effective measures for addressing competition-related challenges. The AFAC negotiations started in September 2022, during the 54th ASEAN Economic Ministers Meeting (AEMM) in Cambodia. After a series of 12 discussions, the AFAC is now being finalized for signing at the AEMM in May 2025.

### PCC, DOJ align initiatives for enforcement

■ ■ By Marian Christine De Leon



A delegation led by the Philippine Competition Commission (PCC) Executive Director Kenneth Tanate paid a courtesy visit to Department of Justice (DOJ) Law Enforcement Cluster Head, Undersecretary Jesse Hermogenes Andres, last April 4 to discuss joint efforts in competition law enforcement. Joining Tanate were Competition Enforcement Office (CEO) Director Christian Loren

De Los Santos and Assistant Director Genevieve Jusi.

The meeting focused on aligning goals and strategies between the two agencies, particularly on prosecution of criminal cases related to competition, the conduct of capacity-building activities, and other joint communication efforts.

# ADB organizes discussion on e-commerce policy design

■ ■ By Marian Christine De Leon

On April 30, the Asian Development Bank (ADB) hosted a panel discussion titled "Designing Competition Policy Amidst the Rise of E-Commerce" as part of its competition policy dialogue (CPD) series.

Philippine Competition Commission (PCC) Chairperson Michael Aguinaldo discussed efforts to ensure fair competition in the e-commerce sector. He was joined by Pattama Teanravisitsagool from the Trade Competition Commission of Thailand (TCCT), Albert Park from ADB's Economic Research and Development Impact Department (ERDI), Timothy Ker from the Hong Kong Competition Commission (HKCC), and Yesim Elhan-Kayalar from ADB's Economic Research and Regional Cooperation Department (ERCD).

Aguinaldo cited the ASEAN competition principles, emphasizing support for marginalized sectors and learning from New Zealand's socioeconomic inclusion. He discussed the key points of the "E-commerce Market Study: The Relationship between Platforms and Thirdparty Online Sellers" of the PCC Economics Office, which revealed that, despite aggressive competition among platforms, barriers like high internet fees and inadequacy of technology education for MSMEs persist and may be hindrances to competition.

While no anti-competitive practices were flagged, potential threats like exclusivity arrangements were noted. Aguinaldo called for digital-specific laws, regional collaboration, and ongoing research to balance regulation, innovation, and consumer protection in the digital market.

# PCC officials attend 72nd Antitrust Law Spring Meeting in Washington

Officials from the Philippine Competition Commission (PCC) attended the 72nd Antitrust Law Spring Meeting held in Washington, D.C. on April 10-12. Chairperson Michael Aguinaldo was joined by Commissioner Michael Peloton and Competition Enforcement Office Director Christian De Los Santos.

De Los Santos was a resource person in the panel on post-pandemic competition enforcement efforts in the Asia-Pacific region, along with antitrust officials from Japan, China, and Hong Kong. Organized by the American Bar Association (ABA), the meeting is considered one of the largest gatherings of lawyers, academics, and enforcers in market competition, consumer protection, and data privacy.



#### **PCC joins OECD Competition Meetings**

PCC Commissioner Marah Victoria Querol (rightmost)

PCC Commissioner Marah Victoria Querol (rightmost) at the Organization for Economic Co-operation and Development (OECD) meetings held in Paris, France last June 10-14. Commissioner Marah Victoria
Querol attended the meetings
and working sessions of the
Organization for Economic Cooperation and Development (OECD)
on competition enforcement,
held on June 10-14 in Paris, France.
The meetings are part of OECD's
Best Practice Roundtables on
Competition Policy and include
topics on competition and
regulation, cooperation and
enforcement, digital markets, and
artificial intelligence.

The OECD is an international organization of 38 countries that convene to discuss and share best practices on economics and trade to promote prosperity, equality, and opportunity. The organization gathers more than 300 committees and working groups that cover different areas of policymaking, including competition and trade.

By Lea Marie Diño

# Australian counterparts equip PCC with advanced investigation techniques

■ ■ By Paul Jeffrey M. Ballentos

Representatives of the Philippine Competition Commission's (PCC) Competition Enforcement Office and Economics Office attended last June 3-5 a workshop titled "Competition Law Implementation Program (CLIP) VI Workshop on Advanced Interview Techniques and Drafting Witness Statements." Conducted by the Australian Competition and Consumer Commission (ACCC), the workshop was aimed at enhancing the skills of PCC officials and staff in conducting effective interviews and drafting comprehensive witness statements.

ACCC Enforcement and Advocacy Director Kerri McKeon and Enforcement and Cartels Assistant Director Lachlan Chisholm steered the discussions and led the role-playing exercises. They also gave special sessions focusing on rules codification, stakeholder analysis, and the conduct of leniency programs.

PCC Chairperson Michael Aguinaldo, in his closing remarks, emphasized the importance of behavioral change in cultivating a culture of competition in the Philippines.
"In the end, our goal is to achieve behavioral change. While this may not always be apparent from a legal standpoint, it is incredibly significant from an economic perspective. We aspire to elevate the culture of competition in the Philippines. The aim is to understand the benefits this can bring to the people, and that is the target we are striving to achieve," Aguinaldo said.

# Forum in General Santos tackles competition law, policy

■ ■ By Miguel Simon Mendoza



Joining the PCC-Sultan Kudarat State University (SKSU) Multisectoral Forum participants are (left to right) SKSU Instructor Rodel Catalan, PCC Knowledge Management Division OIC Chief Paul Andrew Lucena, PCC Communications and Knowledge Management Office OIC Director III Ferdinand Paguia, NEDA XII Regional Director Phlorita Ridao, SKSU Director for External Linkages and International Affairs Dr. Julia Albano, PCC Capacity Building and Advocacy Division Chief Inah Geneve Mangilin, SKSU Attorney IV Sultan Sinenggayan, Jr., and SKSU Associate Professor V Siony Brunio.

The Philippine Competition
Commission (PCC) conducted the
Multisectoral Forum (MSF) on the
Philippine Competition Act (PCA) and
the National Competition Policy (NCP)
for Region XII last May 23 in General
Santos City. The MSF aims to address
the role of regional line agencies in
enforcing the NCP, identifying key
competition issues for stakeholders,
and establishing mechanisms for
better interaction between concerned
parties and the PCC.

Organized in collaboration with the National Economic and Development

Authority (NEDA) Regional Office XII and Regional Development Council XII, the MSF is part of the PCC's broader advocacy effort to promote fair market competition. Members of the Sultan Kudarat State University (SKSU) Competition Local Advocacy Network (CLAN) training team served as resource speakers along with PCC Communications and Knowledge Management Office (CKMO) division heads. Launched in 2023, PCC's CLAN project enjoins state universities to promote competition advocacy through capacity-building activities such as this.

#### IN THE NEWS

#### USAID partners with NEDA, PCC for AI learning session

For the Philippines' competition watchdog, algorithmic bias is another thing to watch out for as more companies adopt the use of Al.

(Andrea Taguines, ABS-CBN News, 11 April 2024)

#### DOJ, PCC eye stronger Antitrust Law enforcement

The Department of Justice (DOJ) and the Philippine Competition Commission (PCC) are taking steps to strengthen the Antitrust Law of the country.

(Alvin Murcia, Daily Tribune, 02 May 2024)



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#### OTHER PUBLICATIONS



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