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**PCC investigation: Condo developer charged
for abuse of dominance over exclusive internet setup**

The Enforcement Office of the Philippine Competition Commission (PCC) has filed a case against a mass housing developer for breaching the antitrust law by engaging in an exclusive internet service tie-up on its property in Tondo, Manila.

In a Statement of Objections filed on March 27, the PCC enforcement unit charged Urban Deca Homes Manila Condominium Corporation and 8990 Holdings, Inc. for abuse of dominance by imposing a sole internet service provider (ISP) on its residents and tenants, preventing them from availing alternative fixed-line ISPs.

The exclusive deal between Urban Deca Homes Manila and Itech Rar Solutions, Inc. as ISP marks the first abuse of market dominance case filed before the PCC in violation of Section 15 of the Philippine Competition Act which prohibits abuses of dominant position.

Urban Deca Homes Manila is a low-cost condominium that is part of the property portfolio of 8990 Holdings, Inc. developed by Euson Realty and Development Corporation and Tondo Holdings Corporation.

“This is a fair warning to businesses that resort to exclusive partnerships to corner profit and hinder the entry of other competitors in exercise of its market power. This act of abuse of dominance limits the choices made available to residents and is a violation of the competition law,” said Enforcement Office Director Orlando P. Polinar.

As the investigative and prosecutorial arm of the PCC, the Enforcement Office found that the company’s exclusive partnership with one ISP prevented the entry and access of other providers in Urban Deca Homes Manila. It also found that Urban Deca Homes Manila’s property manager blocked other ISPs from installing fixed-line internet on units and from marketing their services to interested residents.

The probe was triggered by numerous complaints filed by unit owners and tenants of Urban Deca Homes Manila claiming they were prevented from applying for other



ISPs when the in-house “Fiber to Deca Homes” service was slow, expensive, and unreliable.

Residents complained that “Fiber to Deca Homes” charges P1,249 for 2Mbps, which is almost equivalent to a 5Mbps plan from other service providers, while its 5Mbps monthly plan of P2,599 only costs P1,299 from other networks. Its 6Mbps service costs P2,949 which is equivalent to 50Mbps from one ISP, and almost the same price for 100Mbps from another ISP.

“Through this case, the PCC Enforcement Office intends to stop the property manager and developer from limiting the market for fixed-line internet so third-party providers may enter such market under reasonable terms and offer choices to the residents,” said Director Polinar.

Under the Philippine Competition Act, an entity found to have abused its dominance in the market could face a fine of up to P100M.

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About the PCC

The Philippine Competition Commission is a national government agency duly mandated by the Philippine Competition Act (RA 10667) to promote competition in the market, prohibit anti-competitive agreements, abuses of market dominance, and anti-competitive mergers and acquisitions, and push for the level playing field among businesses.

About the PCC Statement of Objections

Under the 2017 PCC Rules of Procedure, the Statement of Objections refers to a document charging the entity under investigation for any violation of the Philippine Competition Act, its implementing rules, or other existing competition laws. It stands as the official complaint of the Enforcement Office as the complainant for administrative case/s filed before the Philippine Competition Commission.

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