

PRESIDENTIAL COMMUNICATIONS OFFICE
News and Information Bureau

**PRESS BRIEFING OF MS. DAPHNE OSEÑA-PAEZ WITH DEPARTMENT OF
TRANSPORTATION (DOTR) SECRETARY JAIME BAUTISTA
AND DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY
(DICT) SECRETARY IVAN JOHN UY
JANUARY 24, 2023 [10:48 A.M. – 11:15 A.M.]**

MS. OSEÑA-PAEZ: [Airing starts] magpapaliwanag din si Secretary Ivan Uy ngayon, ng Department of Information and Communications Technology, tungkol naman sa communications at connectivity aspect ng insidente; at para bigyan tayo ng mas comprehensive explanation, kasama natin ngayon sina DOTr Secretary Jaime Bautista at DICT Secretary Ivan Uy.

Let's start with Secretary Bautista. Good morning, sir.

DOTR SEC. BAUTISTA: Hi. Good morning, Daphne. Good morning everyone, thank you for joining dito sa press briefing 'no.

This morning, we met with the President and gave him an update of what happened during—the January 1 issue that we had with the CNS/ATM of the Civil Aviation Authority of the Philippines. We also made some recommendations on how we will move forward and the President is very much aware of what happened and he supports our recommendation to implement future requirements necessary for the upgrade or improvement of the CNS/ATM system 'no, which includes hardware and software maintenance, hardware replacement, ultimate fallback system for software redundancy and the need for an independent CNS/ATM in a separate location 'no.

He also instructed us to continue the maintenance of all existing equipment and at the same, time he want us to fast track the arrangement for a maintenance agreement with Sumitomo-Thales who is the provider of the system 'no.

So, thank you, Daphne.

MS. OSEÑA-PAEZ: Okay. I'm sure there will be some questions in a little while but let's move on to Secretary Ivan Uy. Do you have anything to report, sir?

DICT SEC. UY: Thank you very much and good morning to everyone.

Well, as Secretary Jimmy Bautista has mentioned during the sectoral cluster meeting this morning, we did discuss on the incident that happened last January 1, and so far from the cybersecurity aspect, there doesn't appear to be any cyber-related incident that triggered the incident. It was basically an electromechanical malfunction that triggered the whole incident.

But nonetheless, we took the opportunity to conduct a thorough review and cybersecurity audit of the whole system since we're already there in order to ensure that the system is adequately protected from any cybersecurity threats 'no. As you very well know, immediately after our incident, a few days later, the US Air Transport Management System failed – entire United States. And a few days later the Canadian system also failed. We still have no clear report from both the US and Canada as to how or why or in what way their system failed except for their publicly announced that it is a system glitch or a software issue.

So we are still awaiting word from them and exchanging notes. However, we're not taking any chances and we are conducting a thorough assessment of our own internal system just to make sure that we have the proper systems and security in place to prevent any issues on the software and on the cybersecurity aspect. So this will require upgrades, this will require probably replacement of some equipment – hardware and software. So those are currently ongoing and we'll be able to perhaps give you a further update as soon as we have other news. Thank you.

MS. OSEÑA-PAEZ: Okay. On the SIM card [registration] any..?

DICT SEC. UY: Ah, yes. So, on another topic; we're shifting to a new topic.

With regards to the SIM card registration, the recent report I received is we have more than 20 million already registered SIM card users. So we are roughly one month from the implementation—from the release of the Implementing Rules and Regulations and we've already achieved more than 20 million registration. So we are progressing very, very fast and I'd like to thank the public, the general public for being very responsive to our appeal to register as soon as possible.

And in order to help our remote areas because the bigger issues actually are those remote areas where they do not have any Wi-Fi connection where they can do the registration. So we have launched a SIM card registration caravan that is going to all those remote areas and we've started—the first caravan, we did in Ifugao, Mountain Province last week. And in the next few days we have a three-day SIM card registration in the remote areas – January 25, we're addressing Region I, VII, VIII, X and XI which will be in Ilocos Norte, Cebu, Leyte, Bukidnon and Davao del Sur – mostly at the municipal auditorium 'no. We are providing a press release as to where these sites will be and exactly which auditorium, municipal hall or gym of those municipalities or barangays that we'll be deploying.

January 26 it will be in Cagayan Autonomous Region, Region II, Region III, Region IV-A, and Region IX; and on day 3 – January 27 it will be IV-B, Region V, Region VI, Region VII, and Region XIII. You'll be getting a list of all the specific areas where we will have internet connectivity either through our digital transformation centers, our telecenters, or our free Wi-Fi areas where there will be people who will assist in the SIM card registration. These are all remote areas in the country where they cannot connect.

So far, that's all on the SIM card registration. There have been some issues that scrapped up and we're currently also addressing some of those issues that were not anticipated before like there are SIM card wholesalers that have bought thousands of SIM cards and now they're not able to sell it, and it's going to expire because if they are not able to sell it and it doesn't belong to any person yet baka maputol dahil hindi narehistro iyong mga SIM cards.

So, anyway we're working with the telcos on how we are going to address some of those issues. That's just an example of one of them. Anyway, so that's it. Thank you very much.

MS. OSEÑA-PAEZ: Thank you very much, Secretary Ivan Uy. Now, let's open the floor for some questions. Okay, first stop we have Eden Santos of Net25.

EDEN SANTOS/NET25: Hello. Thank you, Ma'am Daphne. Kay Secretary Bautista po: Can you elaborate lang po iyong binanggit ni Pangulong BBM yesterday doon sa media briefing na wala naman pong plano ang administrasyon na isapribado ang operation ng NAIA pero mayroon yatang kinokontrata na private sector group from New York na magma-manage po ng operation. Tama po ba iyon?

DOTr SEC. BAUTISTA: Thank you Eden 'no. ang ibig sabihin ng Presidente 'no hindi naman natin ibibigay sa private sector iyong assets ng NAIA 'no. ang ibig niyang sabihin, it's the private sector who will manage the operations 'no through a concession agreement 'no which is what we have been doing in two airports now 'no – sa Cebu at saka sa Clark 'no. Cebu is operated by GMR Megawide 'no although iyong asset talaga ay asset naman ng gobyerno kaya hindi naman na-privatize iyong infrastructure. This is also the same with the operations of Clark International Airport – iyong asset remain with the government but iyong operations ay ginagawa ng private sector

EDEN SANTOS/NET25: Are we expecting po na parang kagaya sa mga expressways eh baka po magkaroon ng pagtaas sa mga airfare or sa mga ibang services po ng ating mga paliparan?

DOTr SEC. BAUTISTA: Hindi naman automatic na tataas 'no kasi iyong regulatory function nila remain with the government and government will have a say in the rates that the operators will impose 'no. So, hindi ibig sabihin na tataas kaagad.

Q: Thank you so much po.

MS. OSEÑA-PAEZ: Next we have Allan Francisco of PTV-4.

ALLAN FRANCISCO/PTV-4: Hi Ma'am, hi Sirs! To Secretary Uy: Sir, what challenges have you been encountering regarding the SIM card registration, Sir?

DICT SEC. UY: Iyon ang na-mention ko 'no. One of the challenges is there are just a little issue, the main one of course is accessibility especially in the remote areas dahil maraming mga kababayan natin may mobile phones at nangangailangan nilang magpa-

register within the certain period of time pero walang mga signals, walang mga Wi-Fi connection, at dapat magbiyahe pa sila from their islands or from their communities to the munisipyo para makakuha ng signal para makapagparehistro – so, that's one area. So, we're addressing that now by deploying now those connectivity. Most of those connectivity will either be mobile – meaning we're bringing our satellite systems and all those para may connectivity sila doon sa mga areas na iyon.

The second challenge is marami pala tayong mga kababayan na walang ID lalo na sa mga liblib ang lugar po 'no. So, how will they now be able to register and validate their identity? So, iyan we need to take that up with our team to address how we are going to validate kung wala naman silang ID. Never pa silang nakakuha, hindi naman sila nagmamaneho – walang sasakyan doon, so walang driver's license; hindi naman sila nagbibiyahe – walang passport; hindi naka-register sa SSS, sa GSIS, sa PhilHealth, Pag-IBIG – wala. So, ang ano lang sa kanila is cedula which we all know is easy to...or senior citizen ID which again we need to validate. So, iyon we also need to help them and see how we are going to ascertain their identify.

So, and then of course on the commercial side iyong mga resellers, iyong mga distributors ng mga SIM card. Since nag-announce tayo nito, bumagsak ho ang bentahan nila ng SIM cards dahil dati itong mga scammers, itong mga sindikato bili nang bili ng SIM card, tapon, SIM card, tapon. Eh ngayon alam nila na hindi na nila magagawa iyon so bumagsak ngayon iyong bentahan ng SIM cards which we actually anticipated that will happen.

After all, this registration there will be much fewer SIM cards that is going to be sold because there will be no more demand, and most likely karamihan siguro ng mga SIM cards ay ibinibenta sa airports dahil sa mga travelers, foreigners that will be coming in that will buy their SIM cards but in terms of the local population the sales will be very, very small once this happens.

So, those are the things that we are studying, and anticipating, and preparing for. Thank you.

Q: Follow-up lang, Ma'am. Sir, mahirap i-validate iyong identity ng mga kababayan natin in some remote areas, which leads me to my next question iyong sa National Identification, sir? I mean, mas makakatulong sana iyon kung mayroon ng ID iyong ating mga kababayan. Please clarify that, sir?

DICTIONARY: Tama po. That's a big challenge, and you may have to address that question to the Philippine Statistic Authority, since sila ang primary agency that's implementing the National ID. Pero ang nakikita po namin na solusyon dito, hindi ko pa nadi-discuss with the team, is that kapag magsi-SIM card registration kami doon sa remote areas, dadalhin na rin namin iyong National ID system, para right there, pagkarehistro ng National ID, mag-SIM card registration na rin sila. So, we shoot two birds with one stone, 'di ba? Mas madali iyong deployment. So, iyon iyong mga solusyon na pina-package po namin.

MISS OSEÑA-PAEZ: That's a great idea, sir. It looks like a popular idea.

DICT SEC. UY: Yes, oo. I see everybody nodding their heads – thank you po.

MISS OSEÑA-PAEZ: Okay. We have, next, Alvin Baltazar of Radyo Pilipinas.

ALVIN BALTAZAR/RADYO PILIPINAS: Secretary Uy, magandang umaga po. Follow up lang po doon sa commercial side noon sa SIM card. Base doon sa pakikipag-usap ninyo sa mga Telcos, magkano iyong malulugi sa kanila, kung hindi madidispatsa iyong mga SIM?

DICT SEC. UY: Wala po kaming idea doon. We will have to talk with them to see kung marami ba silang na-produce. But, they already knew that the SIM card registration law was going to be signed last September. So, I am sure they have already anticipated na kung mapipirmahan iyan, if they are doing proper business planning, alam nila that the demand will significantly decrease. So, if I were them, I would not order new SIM cards from manufacturers. I will just make sure that the existing inventory ay maubos na lang and then, dahan-dahan lang ang deployment. So, it's a business planning side on their part, on how they should... Sa tingin ko, hindi naman malaki ang malulugi sa kanila. Dahil kung magaling sila sa planning, alam nila na itong batas kapag lumabas, babagsak iyong demand at pagbagsak ng demand, it will be foolhardy for them to still continue ordering the volume of SIM cards that they used to order.

ALVIN BALTAZAR/RADYO PILIPINAS: Secretary, nabanggit ninyo kanina na mukhang bumaba nga iyong benta, kasi iyong mga scammers. Masasabi ba nating nagkaroon ng chill effect doon sa mga scammers itong SIM card registration?

DICT SEC. UY: Well, gusto ko lang matanong ho sa inyo: Dati, before this law was signed, ilang text messages ang natatanggap ninyo sa isang araw; at ngayon, ilan po? I'm sure all of you felt the significant drop. Dati, I get about six or seven, now one or two. Tama, hindi ba? So, I think that answers your question.

MISS OSEÑA-PAEZ: Okay. Next we have Tuesday Niu of DZBB.

TUESDAY NIU/DZBB: To Secretary Bautista, sir. Sir, noong binigay po ninyo iyong initial result of the investigation doon sa NAIA incident, ano po ang naging reaksiyon ni Presidente? And can you share to us, sir, some of your recommendations po para matugunan iyong problema na ito?

DOTR SEC. BAUTISTA: This is not the first time that I will report this to the President. We reported this even earlier, a few days after the incident happened. And nakita nga niya na kailangan magkaroon nang some improvements in the maintenance of the system. And ito iyong pinag-usapan namin na as much as possible, CAAP will continue to maintain the system daily, weekly or monthly as what the maintenance program requires. And ang sabi nga niya, mas mabuti kung magkakaroon tayo ng permanent

maintenance agreement with the suppliers, kasi hindi tayo nagkaroon ng permanent maintenance agreement with them, since the system warranty expired in 2020.

Noong as early as September, we have been working with Sumitomo-Thales about this. Mayroon lang some issues that we need to thresh out. We need to settle some financial issues with them. Mayroon silang claim against the government, mayroon din tayong claim against them and they were just trying to settle this and hopefully by the end of this month, mayroon nang clear indication on how we will be able to settle the issue. And isa sa mga recommendation niya ay still enter into an agreement with the supplier and separate the issue of claims, which we have already communicated with the supplier even before. We met with Sumitomo-Thales a few weeks ago and we suggested that we negotiate for a permanent maintenance agreement pending the settlement of the issues. So, iyon ang aming mga ginagawa ngayon.

Q: Follow-up lang, sir. Iyong mga—naulit po kasi iyong incident last January 1 to last week pero parang iba naman yata ang problemang iyon. Medyo maikli iyong oras na ginugol doon sa pagkukumpuni ng something technically na problema. Iyong mga ganitong incident, sir, in the coming days or in the future, magkakaroon pa ba ng ganitong mga incident after these two incidents po?

DOTR SEC. BAUTISTA: Iyong huling incident ‘no, this is a schedule maintenance ‘no. kailangang ayusin na natin iyong second UPS ‘no para magkaroon tayo ng backup. Kaya we made arrangement with the supplier for them to be able to fix the second UPS. It was scheduled four o’ clock in the morning. Medyo tumagal lang nang kaunti iyong maintenance na ginawa, but these are all coordinated. And nagkaroon ng konting delays iyong ibang mga airlines ‘no. But as early as 6 o’ clock in the morning, operation was already normal ‘no.

Q: [OFF MIC]

DOTR SEC. BAUTISTA: With all the initiatives of CAAP, its engineers, proper coordination with the supplier ‘no, we’re not expecting this to happen again.

MS. OSEÑA-PAEZ: Thank you, Tuesday. We have Ivan Mayrina of GMA 7.

IVAN MAYRINA/GMA7: Secretary Bautista, sir, after the January 1 incident, you said that big amount of funds is needed to implement the necessary upgrades on the CNS-ATM. How much money are we talking about and saan po natin ito isu-source?

DOTR SEC. BAUTISTA: Unang-una, we need to upgrade the software ‘no. According to the supplier, they do two upgrades a year. And since 2020, we have not had any of the upgrades. Wala pa silang binibigay na presyo as of now because this will be part of the negotiation that we will do.

But ang isa sa long-term solution namin is not just to upgrade the system but to put up a permanent backup. Importante na mayroong permanent back-up system which can be

located in another site which can operate simultaneously with the existing system 'no, which will backup to each other. Normally, ganiyan naman iyong system natin 'no. A system operating, let's say, in Cebu together with the system operating in Manila which will be the backup for each other 'no.

So iyon ang tinitingnan namin. We will need to prepare a feasibility study to do this and for us to be able to determine the cost which we will present to NEDA for approval and for funding either from ODA or from GAA.

IVAN MAYRINA/GMA7: Salamat po.

MS. OSEÑA-PAEZ: Thank you. Any other questions? Okay, Julie Baiza of OnePH.

JULIE BAIZA/ONEPH: To Secretary Bautista. Sir, iyong sinasabi po ng Pangulo kahapon na magkakaroon ng management contract with the US firm, a group that runs several big airports abroad daw po. Gumugulong na po ba iyon, sir? Nakausap na po ba? Or do we have the name ng specific company?

DOTR SEC. BAUTISTA: Actually, what will happen is that we are preparing the terms of reference, and this will be subject to bidding by proponents 'no. So ito ang hinihintay namin 'no. Kasi dalawa ang posibleng mangyari 'no: One is for us to receive what you call an unsolicited proposal na puwedeng kasama iyong kausap namin sa New York; or, we will invite them to submit a proposal based on the approved terms of reference that we are now preparing. So iyon ang possibility on the NAIA operations.

MS. OSEÑA-PAEZ: We have again from Tuesday Niu, DZBB.

TUESDAY NIU/DZBB: To Secretary Ivan, sir. Sir, sabi ninyo kanina, more than 20 million na po ang SIM cards na nairehistro. Ilan po bang milyon ang inaasahan nating dapat mairehistro hanggang sa April? At kakayanin po ba iyon na magrehistro lahat considering itong sinasabi ninyong mga challenges po?

DICT SEC. UY: Based on the numbers na ibinigay sa amin ng mga telcos, we have about 140 to 150 million SIM cards. Ngunit hindi naman ho siguro lahat iyon ay active, at kung maaari doon ay ginagamit kasi ng mga telemarketers, ng mga scammers, so we are still figuring out kung ilang numbers doon ang non-legitimate owners of those SIM cards. But with the population of 110 million, I think if we're able to register like 20 million per month, so we have a period of three more months 'no – February, March, April. Three more months, so that's 60 ... about 80 million, I think ano naman, we are on track so far. And we'll play it by ear and see how fast we are able to deploy that. The law provides certain adjustments 'no that DICT can make in case there are any gaps or challenges in the implementation of the registration.

So we have those tools, and the law provides us with that discretion if medyo kapusin tayo.

MS. OSEÑA-PAEZ: Okay. Thank you very much. I think this wraps up our press conference today. And thank you so much to Secretary Jimmy Bautista of DOTr and Secretary Ivan Uy of DICT. Thank you so much, Malacañang Press Corps. Magandang Umaga.

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