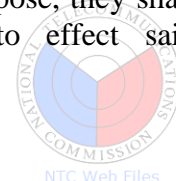


MEMORANDUM CIRCULAR
NO. 02-02-85

**SUBJECT: APPLICATIONS FOR CERTIFICATES OF PUBLIC
CONVENIENCE AND NECESSITY TO OPERATE TELEPHONE
EXCHANGES.**

Pursuant to Executive Order No. 546 and in line with the relationship policy of government to limit the number of telephone exchange operators, the Commission hereby promulgates the following guidelines:

1. The expansion of existing facilities and the grant of new authorization to provide service to unserved areas shall be limited to existing authorized, franchised and certificated operators.
2. Existing operators, who wish to expand or extend their area of operations, must be have served their authorized service areas adequately and efficiently before they shall be authorized to extend or expand their areas of operation.
3. Application to operate in unserved municipalities, cites, provinces or regions, shall be allowed only for existing authorized operators, under the following priorities:
 - 3.1 The first priority shall be given to the nationwide operator.
 - 3.2 Should the nationwide operator be disinterested in expanding its service or is unable to do so, neighboring operators, with franchises to operate, shall then be considered.
 - 3.3 Should the first two priorities be disinterested in expanding its services or is unable to do so, any other existing authorized operator, who meets the technical, financial, and legal qualifications, shall be considered.
4. A duly enfranchised and certificated operator may sell, transfer or assign his certificate, subject to limitations provided for in his franchise and certificate, to existing authorized operators under the same priority, as stipulated in Paragraph 3 above.
5. All applicants, covered under Paragraphs 1 to 4 shall, at all times, interconnect with the nationwide operator and for this purpose, they shall submit to this Commission all their requirements to effect said interconnection, upon application.



All applications filed, pursuant to this Memorandum shall undergo the same procedures, set for by law in the grant of certificates/authorization, and shall be subject to existing rules and regulations.

Quezon City, Philippines, 07 March 1985.

CEFERINO S. CARREON
Commissioner

APPROVED:

JOSE P. DANS JR.
Minister

