

MEMORANDUM CIRCULAR
NO. 20-12-92

SUBJECT: IMPLEMENTING GUIDELINES FOR CELLULAR MOBILE TELEPHONE SYSTEM (CMTS) OPERATIONS IN THE PHILIPPINES

Pursuant to the provisions of the Radio Control Law, Act.3846 as amended, Commonwealth Act. 146 Executive Order No. 546 series of 1979 and Department Circular No. 92-269, known as the Cellular Mobile Telephone System Policy, the following guidelines for the operation of Cellular Mobile Telephone System (CMTS) in the Philippines is hereby issued by this Commission.

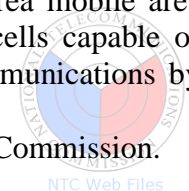
SECTION 1 SCOPE AND OBJECTIVES

Consist with the government's desire to accelerate the introduction and development of cellular mobile telephone service throughout the century, this Circular shall:

- a. provide guidelines for enfranchised telecommunications service providers who would like to provide cellular mobile telephone services on a nationwide or regional basis:
- b. allocate the radio frequency bands available for CMTS operations on a regional and/or nationwide basis: and
- c. establish interconnection guidelines between the Public Switched Telephone and the Cellular Mobile Telephone Network/s and between Cellular Mobile Telephone System to ensure adequate and efficient service consistent with the provisions of Department Circular No. 92-269 otherwise known as the Cellular Mobile Telephone System (CMTS) Policy.

SECTION 2 DEFINITION: AS USED IN THIS CIRCULAR THE FOLLOWING TERMS AND PHRASES SHALL MEAN:

- a. Certificate of Public Convenience & Necessity (CPCN) – an authority to operate a public telecommunications service issued by the Commission based on the premise that the provision of said service and the authorization to do business will promote public interest in a proper and suitable manner.
- b. Provisional Authority – A temporary authority to operate a public telecommunications service issued by the Commission.
- c. Cellular Mobile Telephone System (CMTS) – A wide area mobile area mobile radio telephone system composed of cluster of cells capable of providing high-capacity mobile as well as fixed telecommunications by utilizing frequency re-use techniques.
- d. Commission – refers to the National Telecommunications Commission.



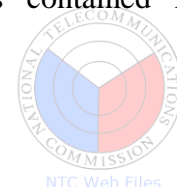
- e. Grade of Service (GOS) Figure – The Grade of Service figure is used to express the probability that a call will be lost due to switching and/or transmission congestion.
- f. International Accepted CMTS Standards – As referred to in this Circular, are those standards that conform with relevant CCIR, CITT, TIA, EIA, ETSI recommendations.
- g. PSTN – as used in these guidelines shall refer to a Public Switched Telephone Network.

SECTION 3 GENERAL PROVISION

- a. No CMTS may be operated on a nationwide or regional basis unless said operator is a holder of a franchise and has secured a Certificate of Public Convenience and Necessity (CPCN) or Provisional Authority (P.A.) from the Commission.
- b. A nationwide CMTS must cover as least 80% of all provincial capitals in the Philippines including all chartered cities within a period of seven (7) years.
- c. A regional CMTS must cover at least 80% of all provincial capitals within the region including all chartered cities therein within a period of five (5) years.
- d. The grant of a CPCN or P.A. for the operation of a nationwide or regional CMTS shall be subject to availability of radio frequencies as well as applicant’s legal, technical and financial capabilities as determined by the Commission.
- e. The CMTS service provider shall complete the installation of its system in accordance with the terms and conditions of its Certificate of Public Convenience and Necessity (CPCN) or Provisional Authority (PA).

SECTION 4 TECHNICAL STANDARDS

- 1. CMTS Service Providers shall adhere to internationally accepted CMTS standards.
- 2. The following frequency bands shall be allocated to the CMTS in accordance with the international norms of frequency allocation:
 - a. 824-849 MHZ b. 890- 915 MHZ
 - 869-890 MHZ 935- 960 MHZ
- 3. All CMTS service providers shall comply with the applicable Service Performance Standards as provided for in Memorandum Circular No. 10-17-90.
- 4. All CMTS service providers shall comply with the relevant and applicable technical standards (Fundamental Technical Plans) as contained in Memorandum Circular No. 10-16-90.



SECTION 5 NETWORK INTERCONNECTION

- a. The interconnection between the PSTN and any CMTS or between and among Cellular Mobile Telephone Networks shall be governed by the applicable provisions of Department Circular Nos. 90-248 and 92-269 and by such other rules and regulations as may be promulgated by the Commission in the interest of public service.
- b. The interconnecting parties shall provide adequate interconnecting circuits to achieve the GOS as prescribed in Memorandum Circular 10-17-90.
- c. Interconnection agreements entered into by the parties shall be submitted to the Commission for its information.
- d. To facilitate the immediate interconnection applicants must be submitted a detailed interconnection plan as part of its technical proposal to the Commission.
- e. The parties shall agree on the terms and conditions for interconnection. Should any of the parties feel that no such agreement can be reached, it can submit the matter to NTC for arbitration or its proper disposition. Arbitration shall be governed by existing Arbitration Committee shall be issued within ninety (90) days from submission of the matter for arbitration and the same shall be final and executory.
- f. The Commission may, after due notice and hearing set the interim terms and conditions of the interconnection agreement and/or may direct immediate interconnection in the event the parties fail to agree on the terms and conditions thereof.

SECTION 6 TRANSITORY PROVISIONS

- a. Existing analog CMTS service providers who intend to upgrade their systems to digital CMTS shall continue to maintain their analog CMTS within the acceptable Quality of Service Performance Standards as prescribed in this Circular for as long as there are subscribers in the analog CMTS system.
- b. The NTC may require service providers with pending applications for CPCN or PA for a nationwide or regional CMTS to comply accordingly with geographic coverage requirements under Section 3b and 3c without need of amending or modifying their applications already under the jurisdiction of the NTC.

SECTION 8 PENALTIES FOR VIOLATIONS

- a. Any violation of the provisions of this Circular shall be subject to sanctions and penalties as may be imposed by the Commission in accordance with applicable laws and regulations.



SECTION 9 FINAL PROVISIONS

- a. Repealing Clause – All NTC circulars or portions thereof inconsistent with this Circular are hereby repealed or modified accordingly.
- b. Effectivity – This Circular shall take effect fifteen (15) days after its publication in the Official Gazette or any newspaper of general circulation, and upon submission of at least three (3) copies hereof to the University of the Philippines Law Center.

MARIANO E. BENEDICTO II

Commissioner

Approved :

JESUS B. GARCIA

Secretary

