

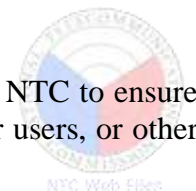
MEMORANDUM CIRCULAR
NO. 05-03-99

**SUBJECT: IMPLEMENTING RULES AND REGULATIONS FOR GLOBAL
MOBILE PERSONAL COMMUNICATIONS BY SATELLITE (GMPCS)
IN THE PHILIPPINES**

In line with the policies set in Executive Order No. 467, series of 1998 and as principal administrator of RA7925, the National Telecommunications Commission hereby promulgates the Implementing Rules and Regulations for the operation of Global Mobile Personal Communications by Satellite (GMPCS) in the Philippines:

I. Definition of Terms

1. GMPCS System - Any satellite system (ie fixed or mobile, broadband or narrowband, global or regional, geostationary or non-geostationary, existing or planned) providing telecommunications services directly to end users from a constellation of satellites.
2. Constellation of Satellites - One or more satellites, geostationary or non-geostationary, operated as a system.
3. GMPCS System Operator - Any entity which owns, operates and maintains a GMPCS system.
4. GMPCS Service Provider - A duly enfranchised and authorized, whether provisional or permanent, public telecommunications entity, to provide GMPCS service to the public by NTC.
5. GMPCS Terminal - A user terminal intended to be operated with a GMPCS System.
 - 5.1 Single-mode terminal - A terminal which is capable of operating with only one GMPCS System
 - 5.2 Multi-mode terminal - A terminal which is capable of operating with a GMPCS System and, additionally, one or more GMPCS Systems or Terrestrial Mobile Systems.
6. License - An authorization to carry and use a GMPCS terminal issued by the NTC.
7. Type Approval/Acceptance - Approval /Acceptance issued by the NTC to ensure that GMPCS terminals do not harm networks, GMPCS user, other users, or other equipment.



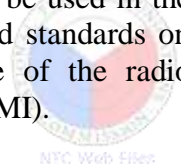
8. GMPCS System Gateway - Satellite earth station installed within or outside the Philippines used to control traffic between the GMPCS Operator and the Philippine GMPCS System Service Provider.

II. General Provisions

1. GMPCS System Operators, GMPCS Service Providers and users of GMPCS terminals are subject to Philippine Laws, Rules and Regulations and may be required to submit such information, as may be necessary, to service customers properly and comply with regulatory requirements.
2. GMPCS System Operators through their respective GMPCS Service Providers shall inform the Commission which GMPCS terminals are allowed for connections to their systems.
3. A foreign GMPCS System Operator shall take steps to inhibit the use of its system in the Philippines where no Philippine GMPCS Service Provider has been authorized to use it.
4. Since the GMPCS System is typically characterized by the use of system- specific GMPCS terminals manufactured by GMPCS terminal manufacturers and designed to be operated with specific GMPCS System, the GMPCS System Operator, through its Philippine GMPCS Service Provider/s shall provide the Commission with relevant information, in the interest of service.

III. Specific Provisions

1. Only duly enfranchised public telecommunications entities may apply and be authorized by the Commission to provide GMPCS service.
2. Any enfranchised and duly authorized GMPCS Service Provider may access any GMPCS system with which the GMPCS Service Provider has a valid agreement, provided, that the applicable radio frequency to be used is within the radio frequency allocation set and authorized by the Commission.
3. Only GMPCS systems operated by GMPCS System Operators with valid agreements with duly authorized GMPCS Service Providers shall be allowed to be directly accessed by the GMPCS terminals in the Philippines.
4. Only GMPCS terminals, which are duly type approved/accepted by the Commission or by any NTC accredited entity shall be allowed to be used in the Philippines. The terminals shall meet the internationally accepted standards on safety, electromagnetic compatibility (EMC), and effective use of the radio spectrum and orbital resources and electromagnetic interference (EMI).



5. The Commission shall require any manufacturer, distributor or dealer of GMPCS terminals to submit relevant information, as may be necessary, to include among others:
 - 5.1 Name of GMPCS System Operator
 - 5.2 Name of GMPCS Service Provider
 - 5.3 Model or identifying information of GMPCS terminals
 - 5.4 Any type approval/acceptance granted, date of approval, validity thereof and the approving Administration, if any
 - 5.5 Specifications and other informational data
 - 5.6 Any appropriate agreement with the manufacturer, exclusive distributor or dealer of the GMPCS terminals for sale or distribution in the Philippines
6. GMPCS terminals brought into the country to be placed in the market will be subject to applicable customs duties and the technical and regulatory requirements of the Commission.
7. Subject to the Bureau of Customs Rules and Regulations and for the purpose of entry into the country on a temporary or transitory basis, GMPCS terminals may be brought into the country as a traveler's personal effect. If the traveler intends to stay in the country for more than fifteen (15) days, the GMPCS terminal owned by said traveler should be registered within three (3) days from date of entry.
8. The transmissions from the GMPCS terminals are under the operational control of the GMPCS System Operator and/or the GMPCS Service Provider and shall comply with the standards adopted and prescribed by the Commission.
9. GMPCS System Gateways located in the Philippines shall be interconnected to the Philippines telecommunications network on non-discriminatory manner, in accordance with laws and their implementing rules and regulations as are now existing and in the future be promulgated.
10. The GMPCS System Operator and the GMPCS Service Provider shall negotiate and agree upon an equitable arrangement in regard to sharing of the revenues derived from the provision of the GMPCS service to and/or from the Philippines. The agreement shall include sharing of the revenues derived from roaming terminals. The parties shall also agree on the manner by which grievances by any of the parties can be resolved.



11. A GMPCS Service Provider or authorized dealer of telecommunications equipment importing GMPCS handsets into the Philippines shall secure a Certificate to Import from the National Telecommunications Commission prior to importation of the handsets. The Spectrum User Fee due under these rules shall be paid upon submission of the application for, and as a pre-condition to the issuance of a Certificate to Import.
12. The GMPCS System Operator shall furnish the GMPCS Service Providers with the traffic data. The traffic data shall contain information relating to traffic originating and/or terminating in the Philippines, and other information that are necessary for traffic settlement purposes which should not be more than two (2) months old.

IV Fees and Charges

1. All applicants for authorization/permits and licenses, and the use of the frequencies shall pay fees and charges in accordance with the schedules set by the Commission.
2. The annual spectrum user fee for each GMPCS terminal shall be PhP1.00 per kilohertz of the bandwidth required to transmit information to the GMPCS system.
3. The annual license fee per GMPCS terminal shall be PhP50.00.
4. The GMPCS Service Provider shall be responsible for the payment of the license and the spectrum user fees (SUF) for their respective subscribers/end-users. The GMPCS Service Provider shall also be responsible for the payment of the annual spectrum user fees for the roaming terminals equivalent to 10% of SUF paid for its licensed subscribers/end-users.
5. GMPCS Service Provider operating a system gateway shall pay the applicable permit and license fees prescribed, in Section 27 of Memorandum Circular No. 04-03-99 Implementing Guidelines on International Satellite Communications.

V. Frequencies

1. The frequencies to be used shall be within the frequency bands allocated in accordance with the relevant ITU Radio Regulations and Resolutions and duly sub-allocated by the NTC.

V. Sanctions

1. Any violation of any law, rules and regulations shall be imposed the appropriate administrative and criminal sanctions in accordance with law.



VI. Others

1. This circular may be revised, revoked or amended as the Commission deems fit.
2. The circular takes fifteen (15) days after its publication in the official gazette or in any newspaper of general circulation, provided further, that at least three (3) copies thereof shall be filed with the UP Law Center.

(SGD.) JOSEPH A. SANTIAGO
Commissioner

(SGD.) NESTOR C. DACANAY
Deputy Commissioner

(SGD.) AURELIO M. UMALI
Deputy Commissioner

