

Department Circular No. 92 - 269

Subject: Cellular Mobile Telephone System Policy

The Scope of this policy shall only cover the Cellular Mobile Telephone System (CMTS).

The government favors an open and competitive environment for services such as CMTS subject to availability of radio spectrum. It is recognized that the radio spectrum is a limited resource, and that it must be used as efficiently as possible in conformity with international telecommunications conventions to which the Philippines is a signatory. The Government shall be guided by these principles in the formulation of the CMTS policy.

To ensure the orderly development of the CMTS providing for a nationwide coverage, to optimize the utilization of radio frequency spectrum allocation allowing for flexibility to service providers and users and to provide healthy competition among authorized service providers, DOTC hereby promulgates the following policy directives:

ARTICLE I - MARKET ENTRY

Section 1. Duly franchised operators may enter the CMTS market on a nationwide or regional basis, subject to the availability of radio frequencies as determined by the National Telecommunications Commission (NTC).

ARTICLE II - NETWORK INTERCONNECTION AND TECHNICAL STANDARDS

Section 2. All CMTS service providers shall design their CMTS networks and systems in order to adhere to international technical recommendations as required by the NTC.

Section 3. All Public Switched Telephone Network (PSTN) service providers shall be required to interconnect to the CMTS service providers, and the latter to each other in a non-discriminatory manner and subject to reasonable compensation, under penalty of sanctions that shall be imposed by the NTC.

ARTICLE III - SYSTEM AND TECHNOLOGY UPGRADES

Section 4. The NTC shall reserve appropriate frequency bands both for analog and digital Cellular Mobile Telephone Service. Cellular systems operating outside these frequency bands may be allowed, subject to availability of frequency spectrum specified by international telecommunications conventions.

Section 5. During the period of transition from analog to digital CMTS, the analog CMTS service providers who wish to migrate to the digital system shall make provision for the protection of the existing analog CMTS subscribers so that they will not be disadvantaged.

ARTICLE IV - POLICY IMPLEMENTATION

The NTC is hereby directed to:

- a). ensure that all CMTS service providers provide sufficient interconnecting circuits to each other.
- b). ensure that the PSTNA operator provide sufficient interconnecting circuits to be able to render acceptable service, and to put in place an adequate traffic measurement system that will be subject to a quarterly review by the parties therein.
- c). ensure that all agreements between and among the CMTS service providers and the local PSTN carriers are non discriminatory.
- d). intervene and thereby impose the necessary actions and sanctions in the event that the CMTS service providers and the local PSTN carriers fail to reach an interconnection agreement.
- e). prepare and issue the necessary implementation guidelines to the CMTS Policy within a period of 30 days from the issuance hereof.

In this connection Department Circular No. 90-253 is superseded and any other memorandum orders, pursuant to said circular or otherwise in conflict with this Department Circular are hereby deemed revoked, amended or revised.

This Department Circular shall be effective upon the publication hereof.

(SGD.) JESUS B. GARCIA, JR.
Secretary