



REPUBLIC OF THE PHILIPPINES
NATIONAL TELECOMMUNICATIONS COMMISSION
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MEMORANDUM CIRCULAR

No. 01-02-2018

**SUBJECT: IMPLEMENTING RULES AND REGULATIONS OF MEMORANDUM CIRCULAR
No. 04-06-2016 RE: RE-ALLOCATION OF THE 470-512 MHz BAND FOR
DIGITAL TERRESTRIAL TELEVISION BROADCASTING (DTTB) SERVICE IN THE
PHILIPPINES**

For the purpose of an effective and smooth implementation of Memorandum Circular (MC) 04-06-2016, the National Telecommunications Commission (Commission), hereby promulgates the following Implementing Rules and Regulations (IRR):

SECTION 1. ALLOCATION

As provided in MC No. 04-06-2016, the 470-512 MHz band (or "Channels 14 to 20") has been re-allocated for the deployment of Digital Terrestrial Television Broadcasting (DTTB) Service.

SECTION 2. TRANSFER OF AFFECTED USERS

The transfer of affected duly authorized users of the herein allocated DTTB radio frequency band shall be governed by Rule 603 of MC No. 03-03-96.

SECTION 3. ELIGIBILITY

- 3.1 All operating and duly authorized Mega Manila VHF television networks are each entitled to a channel assignment from Channels 14 to 20, provided that they file their manifestation to convert their analog television service to DTTB as required under MC No. 07-12-2014, and they undergo drawing of lots based on sequence of choice to determine their channel assignment under Section 4.3.1.
- 3.2 If any of the Mega Manila VHF networks is not interested with its entitlement mentioned in 3.1, thereby resulting in unassigned channel(s) in Channels 14 to 20 after drawing of lots based on sequence of choice among those interested, the Commission shall consider all operating and duly authorized Mega Manila UHF TV networks that have filed the requisite manifestation to convert their analog television service to DTTB as required under MC No. 07-12-2014.

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- 3.3 Should there be available channels after 3.1 and 3.2, the Commission shall consider entities with pending petitions for the issuance of authorization to provide DTTB service in Mega Manila and with no existing analog VHF or UHF TV operations in the area.

SECTION 4. PROCEDURE OF CHANNEL ASSIGNMENT

- 4.1 The Commission shall, within ten (10) calendar days from the effectivity of this MC, notify all operating and duly authorized Mega Manila VHF television networks to submit their notice of intent to participate in the assignment of Channels 14 to 20. Said intent shall be submitted within ten (10) calendar days from receipt of notice; and to be considered validly submitted, must include an undertaking to pay an equal share of the compensation cost as provided in Section 5.
- 4.2 Operating and duly authorized Mega Manila VHF television networks that fail to submit the notice of intent as required in 4.1 shall be deemed to have waived the opportunity to operate within the 470-512 MHz band without prejudice to the assignment of a channel in the 512-698 MHz band.
- 4.3 Within ten (10) calendar days from receipt of the last validly filed notice of intent, or upon the lapse of said 10-day period, whichever is sooner, the Commission shall issue a notice of the schedule for the drawing of lots in accordance with the procedure described in Section 4.3.1. Failure to appear at the scheduled drawing of lots despite notice shall have the same effect as a waiver under 4.2.
- 4.3.1 Drawing of lots based on sequence of choice shall be conducted as follows:
- a. Only those networks notified under Section 4.1 that have validly submitted their notice of intent under Section 4.2 and are present during the scheduled drawing of lots shall be eligible to participate therein.
 - b. At the scheduled drawing of lots, the process of channel allocation and assignment shall start with the attending networks indicating their order of preference from among Channels 14 to 20, designating which channel is their first choice, second choice and so forth and so on.
 - c. Channel assignment shall be determined as follows:
 - i. The channel that is the first choice of only one (1) network shall be automatically assigned to that network.

6 4/8

- ii. The channel that is the first choice of two (2) or more networks shall undergo drawing of lots among those networks. The winner of the draw shall be immediately assigned the channel.
- iii. After the first-choice channels are assigned, the channels indicated as second choice, excluding those already assigned, shall be assigned in the same manner as in (i) and (ii) above. The process shall be repeated for the third and subsequent choices until all participating networks are assigned a channel.
- iv. After all participating Mega Manila VHF television networks have been assigned channels, the Commission shall authorize the use of the assigned channels upon compliance by the said networks of the deposit requirement as provided in Section 5.3.

4.3.2 Should there be available channels after 4.3.1, the Commission shall, within ten (10) calendar days from assignment of channels as scheduled under 4.3, notify all operating and duly authorized Mega Manila UHF TV networks to submit their intent to participate in the assignment of available channels in the 470-512 MHz band. Said intent shall be submitted within ten (10) calendar days from receipt of notice.

The determination of eligible entity shall be based on the following criteria:

- a. Must have filed the requisite Manifestation to Convert its Analog TV service to Digital TV service under MC 07-12-2014;
- b. Submission of an undertaking to pay an equal share of the compensation as provided in Section 5 of this MC; and
- c. Applications will be evaluated based on legal, financial and technical capability to provide DTTB service.

If there are more eligible Mega Manila UHF TV networks than the remaining unassigned channels, the Commission shall rank them based on their legal, financial and technical capabilities.

The Commission shall issue a notice of the schedule for the drawing of lots in accordance with the procedure described in Section 4.3.1. Failure to appear at the scheduled drawing of lots despite notice shall have the same effect as a waiver under 4.2.



Qualified networks shall be assigned channels following the procedure in Section 4.3.1.

4.3.3 Should there be available channels after 4.3.2, the Commission shall, within ten (10) calendar days from assignment of channels as scheduled under 4.3.2, notify all applicants with pending petitions for authority to provide DTTB service in Mega Manila and with no existing analog VHF or UHF TV operations to submit their intent to participate in the assignment of available channels in the 470-512 MHz band. Said intent shall be submitted within ten (10) calendar days from receipt of notice.

The determination of eligible entity shall be based on the following criteria:

- a. Submission of an undertaking to pay its equal share of the compensation as provided in Section 5 of this Circular; and
- b. Applications will be evaluated based on legal, financial and technical capability to provide DTTB service.

If there are more qualified DTT Mega Manila applicants than the remaining unassigned channels, the Commission shall rank them based on their legal, financial and technical capabilities.

The Commission shall issue a notice of the schedule for the drawing of lots in accordance with the procedure described in Section 4.3.1. Failure to appear at the scheduled drawing of lots despite notice shall have the same effect as a waiver under 4.2.

Qualified applicants shall be assigned channels following the procedure in Section 4.3.1.

4.4 The existing DTT UHF channel assignment of grantees under this MC shall be automatically recalled except for those networks using their own UHF channels on a temporary basis during the DTT transition period.

4.5 The assignees of Channels 14 to 20 shall have preference in the assignment of the same channels in all other service areas in the Philippines. The Commission shall not assign these same channels in other service areas for use by other TV networks while other channels are available. Should there be no other channels available, the assignee shall be notified thereof and shall have a period of three (3) months from receipt of written notice within which to file an application for the use of such channel. Should the assignee not apply within the stated period or fail to qualify, the channel shall be made available for assignment to other qualified applicants.

8 8

SECTION 5. COMPENSATION OF AFFECTED AUTHORIZED USERS

- 5.1 The cost for the transfer of affected authorized users of the 470-512 MHz band shall be equally shared among all television networks that are assigned channels in said band.
- 5.2 The cost mentioned in 5.1 above refers to the replacement cost of the affected authorized users' radio network with an equitable one; provided, that the replacement radio network should be able to operate on the channels / frequencies previously identified in MC No. 08-08-2007 as relocation frequencies.
- 5.3 For purposes of Section 5.2, each assignee of a channel from Channels 14 to 20 shall issue a check amounting to Nine Million Five Hundred Seventeen Thousand Sixty Pesos (**Php 9,517,060.00**), to be submitted to and in the name of the Kapisanan ng mga Brodkasters ng Pilipinas (KBP) not later than ten (10) calendar days from the time it is assigned a channel.
 - 5.3.1 The KBP is designated as custodian of the deposits made by the assignees of channels under the 470-512 MHz band that will be used as payment for the replacement costs of affected users. The KBP shall hold the same deposits in trust and pay them out in accordance with the conditions as may be set forth by a multi-party Technical Working Group (TWG) created under Section 6 hereof.
 - 5.3.2 The KBP shall, upon receipt of a payment from an assignee, immediately manifest or report in writing to the Commission that the amount has been received and that it is holding the same in trust in accordance with the conditions set forth by the TWG.

SECTION 6. TECHNICAL WORKING GROUP (TWG)

- 6.1 Within ten (10) days from the effectivity of this MC, the Commission shall create a TWG with the Commissioner (or any of the Deputy Commissioners) as Chairperson, one (1) representative each from the Mega Manila VHF TV networks, the KBP and a designated representative of the affected authorized users of the 470-512 MHz band, as members.
- 6.2 The TWG's principal function is to formulate the Terms Of Reference (TOR) for the effective transfer of affected legacy/authorized users of the 470-512 MHz band pursuant to Rule 603 of MC No. 03-03-96.

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SECTION 7. FINAL PROVISION

7.1 Any circular, order, memoranda or parts thereof inconsistent herewith, are deemed repealed or amended accordingly.

7.2 This Circular shall take effect fifteen (15) days after publication in a newspaper of general circulation and three (3) certified true copies are furnished the UP Law Center.

Quezon City, Philippines 02 February 2018



GAMALIEL A. CORDOBA
Commissioner



DELILAH F. DELES
Deputy Commissioner



EDGARDO V. CABARIOS
Deputy Commissioner