

MEMORANDUM CIRCULAR
NO. 10-10-97

SUBJECT: SPECTRUM USER FEES

Pursuant to the provisions of RA 7925 otherwise known as the “Public Telecommunications Policy Act” and its Implementing Rules and Regulations, the Commission hereby promulgates the following:

1. Spectrum user fees shall be collected annually in addition to all existing fees collected by the Commission.
2. The SUF shall be based on the amount of spectrum used, the type of service being offered and the economic classification of the areas covered by the radio stations.
3. The SUF shall be paid not later than 31 January of each year. A surcharge of 25% of the amount of the SUF due plus 1% of the principal per month of delay shall be imposed for late payments. In case a carrier defaults from the payment of the SUF for a period of one (1) year, the Commission shall initiate action and after due process and finding the defaulting carrier guilty effect the immediate transfer of the frequencies to other duly authorized carriers providing the same service without adversely affecting the subscribers of said carrier.
4. The following spectrum user fees shall be imposed:

4.1 FOR CELLULAR MOBILE TELEPHONE SERVICE (CMTS)

4.1.1 800 MHz and 900 MHz bands

 PHP10.00/KHz/ station (Metro Manila)

 5.00/KHz/ station (Highly Urbanized Cities)

 2.50/KHz/ station (All Other Areas)

- 4.1.2 If the number of channels required for a specific number of subscribers using traffic per subscriber of 20 milli-erlang and quality of service of 0.03 are used is exceeded, the SUF for the excess channels shall be reduced by 75%. The table representing the number of channels and the corresponding number of subscribers shall be released not later than 30 days from the effectivity of this circular.



4.2 FOR PRIVATE MOBILE RADIO SERVICE

Non-Repeatered System

FB: ML or P

20.00: 2.00/KHz/station (Metro Manila)

10.00: 1.00/KHz/station (Highly Urbanized Cities)

5.00: .50/KHz/station (All Other Areas)

Repeatered System

50.00: 2.00/KHz/station (Metro Manila)

25.00: 1.00/KHz/station (Highly Urbanized Cities)

12.50: .50/KHz/station (All Other Areas)

4.3 FOR PUBLIC RADIO PAGING SERVICE

5.00/KHz/station (Metro Manila)

2.50/KHz/station (High Urbanized Cities)

1.25/KHz/station (All Other Areas)

4.4 FOR IN-HOUSE RADIO PAGING SYSTEM

20.00/KHz/station (Metro Manila)

10.00/KHz/station (Highly Urbanized Cities)

5.00/KHz/station (All Other Areas)

4.5 FOR PUBLIC TRUNKED RADIO SERVICE

5.00/KHz/station (Metro Manila)

2.50/KHz/station (Highly Urbanized Cities)

1.25/KHz/station (All Other Areas)

4.5.1 The rate of the SUF for TRS operators using 12.5 KHz or less per voice channel shall be reduced by 50%.



4.6 FOR PRIVATE TRUNKED RADIO SERVICE

20.00/KHz/station (Metro Manila)

10.00/KHz/station (Highly Urbanized Cities)

5.00/KHz/station (All Other Areas)

4.7 FOR POINT TO POINT RADIO STATIONS

Frequency	SUF
Lower than 1Ghz	2.50/KHz/station
1GHz to lower than 10GHz	2.00/KHz/station
10GHz to lower than 20GHz	1.50/KHz/station
20GHz and above	1.25/KHz/station

4.8 FOR POINT TO MULTIPOINT RADIO STATIONS

5.00/KHz/station

4.8.1 If used to provide basic telephone service the SUF shall be based on Section 4.10

4.8.2 If used to provide broadband services the rate of SUF shall be based on Section 4.11.

4.9 FOR SATELLITE SERVICE (EXCEPT RECEIVE ONLY)

5.00/KHz/station (Metro Manila)

2.50/KHz/station (Highly Urbanized Cities)

1.75/KHz/station (All Other Areas)

4.10 FOR WIRELESS LOCAL LOOP

1.00/5KHz/station (Metro Manila)

0.50/5KHz/station (Highly Urbanized Cities)

0.25/5KHz/station (All Other Areas)



4.11 FOR BROADBAND SERVICES

Frequency	SUF
Less than 1Ghz	6.00/KHz/station (Metro Manila)
	5.00/KHz/station (Highly Urbanized Cities)
	4.00/KHz/station (All Other Areas)
1GHz to less than 10GhHz	5.00/KHz/station (Metro Manila)
	4.00/KHz/station (Highly Urbanized Cities)
	3.00/KHz/station (All Other Areas)
10GHz to less than 20GHz	4.00/KHz/station (Metro Manila)
	3.00/KHz/station (Highly Urbanized Cities)
	2.00/KHz/station (All Other Areas)
20GHz and above	3.00/KHz/station (Metro Manila)
	2.00/KHz/station (Highly Urbanized Cities)
	1.25/KHz/station (All Other Areas)

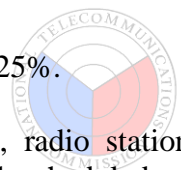
NOTE: 4.1 to 4.5 refers only to base /cell/repeater stations.

For the CMTS carriers the rate shall be reduced by 10% until 31 December 1998.

5. For new radio stations, the SUF shall be paid upon the issuance of the permit to purchase. If the permit to purchase is issued after 30 June of a year, the amount of SUF shall be 50% of the SUF due for that particular year. The full amount of the SUF shall be paid for the succeeding years.
6. The first payment of the SUF due for all existing stations shall be paid to the Commission not later than 45 days from the effectivity of this circular in the amount of:
 - a. for multi-channel radio stations
 - a.1 Amount of SUF based on the rates herein prescribed less amount paid pursuant to MC 14-08-94 if payment has already been made. The difference multiplied by 25%.
 - a.2 If payment has not been made, the amount of SUF to be paid shall be the amount due pursuant to MC 14-08-94 plus the amount as computed in Section 6.a.1
 - b. for all other stations

Amount of SUF based on the rates herein prescribed multiplied by 25%.

7. This circular supersedes the schedule of fees for construction permits, radio station licenses and inspection fees specified in MC No. 14-08-94 “Revised scheduled of



administrative fees and charges of the National Telecommunications Commission” except those pertaining to radio and television broadcast stations, CATV and wireless CATV and other station used in broadcasting. The construction permits, radio station license and inspection fees shall be PHP300.00, PHP400.00 and PHP 400.00 respectively.

8. This circular amends, modifies or supersedes existing circulars, orders, guidelines that are inconsistent herewith.
9. This circular may be revised, revoked or amended as necessary in accordance with law and shall take effect fifteen (15) days after publication in a newspaper of general circulation and three (3) certified true copies furnished the UP Law Center.

SIMEON L. KINTANAR
Commissioner

FIDELO Q. DUMLAO
Deputy Commissioner

CONSUELO S. PEREZ
Deputy Commissioner

