



**MEMORANDUM CIRCULAR**

No. 09-07-2007

**SUBJECT: RULES ON THE INTERCONNECTION OF LOCAL EXCHANGE CARRIERS IN LOCAL CALLING AREAS**

WHEREAS, Section 2 Article II of MC 14-7-2000 defines Local Calling (Service) Area as "the province within which telecommunications services are furnished subscribers under specific scheduled rates and without toll charges. For purposes of these rules, the present areas forming part of the numbering plan area "2" shall be considered a local calling (service) area of all PTEs presently authorized to provide telecommunications service in any portion of the said area";

WHEREAS, Several local exchange carriers (LEC) operating in one local calling area have sought the intervention of the Commission for the interconnection of their local exchange networks;

WHEREAS, Local exchange networks are capital intensive and the costs per subscriber/user decreases as the number of subscribers/users increases. The cost per subscriber/user is least when the economics of scale is achieved;

WHEREAS, It is the responsibility of a local exchange carrier to carry the traffic from its subscribers to the local exchange network of another local exchange carrier operating in one local calling area;

WHEREAS, If the LEC operates multi-exchanges in one local calling area it is its responsibility to ensure that the number of trunks/circuits connecting all its exchanges is sufficient to maintain P01 grade of service taking into consideration the additional traffic expected from the interconnecting local exchange carriers;

NOW THEREFORE for and in consideration of the above premises and pursuant to the powers vested upon the National Telecommunications Commission (Commission) by EO546 series of 1979, EO59 series of 1993 and RA7925 the following guidelines are hereby promulgated.

1. There shall be no interconnection and access charges between interconnected LECs within a local calling area.
2. Each LEC shall provide the trunks/circuits necessary to interconnect its local exchange network to the other local exchange network operating in the same local calling area. Each LEC shall ensure that the number of trunks/circuits is sufficient to guarantee P01 grade of service. Each interconnecting LEC shall provide the necessary termination at the nearest exchange to each other. If the LECs operate multi-exchanges the interconnection shall be at the exchanges located in the same municipality/city.

3. If the interconnection requires the installation of radio facilities, each interconnecting LECs shall provide the required space and termination free of charge. Each interconnecting LEC shall allow ingress, with at least 24-hr notice, of personnel from the other LEC for the sole purpose of repair and maintenance of the radio facilities.
4. Interconnection of LECs within a local calling area shall be effected not later than ninety (90) days from date of notice by one LEC, copy furnishing the Commission.
5. All LECs operating within a local calling area that are not yet interconnected shall be interconnected within one hundred eighty (180) days from the effectivity of this Circular.
6. LECs may negotiate for better terms than herein prescribed provided that should the parties fail to reach mutual agreement within ninety (90) days from notice by either party, copy furnishing the Commission, paragraphs 1, 2 and 3 of this Circular shall apply.
7. This circular amends or supersedes any Circular, Order and Memorandum or any part/s thereof inconsistent herewith.
8. This Circular shall take effect fifteen (15) days after its publication in a newspaper of general circulation and three (3) certified true copies furnished the UP Law Center.

Quezon City, Philippines, 19 July 2007.

(sgd)  
**ABRAHAM R. ABESAMIS**  
Commissioner

(sgd)  
**JORGE V. SARMIENTO**  
Deputy Commissioner

(sgd)  
**JAIME M. FORTES, JR.**  
Deputy Commissioner