



MEMORANDUM CIRCULAR

No. 09-11-2016

SUBJECT: INTERCONNECTION CHARGE FOR VOICE SERVICE

WHEREAS, the 1987 Constitution fully recognizes the vital role of communications in nation building and provides for the emergence of communications structures suitable to the needs and aspirations of the nation;

WHEREAS, the promotion of competition in the market is a key objective of Republic Act 7925 (RA7925), otherwise known as The Public Telecommunications Policy Act of the Philippines, which mandates that “a healthy competitive environment shall be fostered, one in which telecommunications carriers are free to make business decisions and to interact with one another in providing telecommunications services, with the end in view of encouraging their financial viability while maintaining affordable rates”;

WHEREAS, RA 7925 further defines the role of the government to “promote a fair, efficient and responsive market to stimulate growth and development of the telecommunications facilities and services”;

WHEREAS, Sec. 5c of RA7925 directs NTC to “Mandate a fair and reasonable interconnection of facilities of authorized public network operators and other providers of telecommunications services through appropriate modalities of interconnection and at a reasonable and fair level of charges, which make provision for the cross subsidy to unprofitable local exchange service areas so as to promote telephone density and provide the most extensive access to basic telecommunications services available at affordable rates to the public”;

WHEREAS, the prevailing interconnection charges for voice calls between mobile service operators with separate networks is PhP4.00 per minute and PHP3.00 per minute terminating in fixed or fixed wireless telephone line;

NOW, THEREFORE, pursuant to RA 7925, Executive Order 546 series of 1979, to reduce communications costs, maintain and foster fair competition in the telecommunications industry in order to make voice service more affordable to the general public, the National Telecommunications Commission (NTC), hereby promulgates the following guidelines:

Section 1. The interconnection charge for voice calls between two (2) separate networks shall not be higher than PhP2.50 per minute.

Section 2. The cellular mobile telephone network providers and the fixed and fixed wireless telephone network providers shall guarantee that the interconnection links and facilities are sufficient to guarantee a grade of service of P01.

Section 3. The rates for voice service shall be made more affordable taking into account the agreed interconnection charge, the latter being a component of the former.

Section 4. Each of the parties to the interconnection shall provide the interconnection links or circuits and facilities required to carry their respective voice traffic. The parties shall ensure that termination equipment is sufficient to connect the interconnection links or circuits to their respective networks. The interconnection links and facilities with sufficient capacity shall be provided in a timely manner.

Section 5. The existing interconnection agreements shall be amended to comply with this Circular within ten (10) days from the effectivity of this Circular. The new agreed reduced interconnection charges shall be effective not later than 01 January 2017 to give sufficient time for the necessary adjustment in the operators' respective billing systems.

Section 6. The interconnection charges shall be subject to annual review.

Section 7. Violations of herein prescribed guidelines shall be imposed penalties pursuant to existing laws, rules and regulation.

Section 8. This memorandum circular shall take effect fifteen (15) days after publication in a newspaper of general circulation, and three (3) certified true copies furnished to the UP Law Center.

Quezon City, Philippines 24 November 2016



GAMALIEL A. CORDOBA
Commissioner



DELILAH F. DELES
Deputy Commissioner



EDGARDO V. CABARIOS
Deputy Commissioner