RULES AND REGULATIONS GOVERNING THE INTERCONNECTION OF LOCAL TELEPHONE EXCHANGES AND PUBLIC CALLING OFFICES, WITH THE NATIONWIDE TELECOMMUNICATIONS NETWORK/S, THE SHARING OF REV...

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Pursuant to the powers vested upon the National Telecommunications Commission (NTC) to encourage a larger and effective use of communications facilities and in line with the State's program to pursue and foster in an orderly and vigorous manner, the interconnection of all municipalities in the country, the following rules and regulations on the interconnection of telephone exchanges with the nationwide telecommunication network/s, including the sharing of revenue derived therefrom are hereby promulgated for the information, guidance and compliance of all concerned.

SECTION 1. Definition of Terms

a. Inter-connecting company (ICC). A local exchange operator duly franchised and certified by the NTC or a government entity technically and financially capable to install, operate, and maintain telephone systems in designated service areas.

b. Interconnection. For the purpose of this Circular, interconnection shall refer to a situation where an inter-connecting company is interconnected to the nationwide telecommunications network/s.

c. Public Calling Office. A Telecommunication facility at which the public may, by the payment of appropriate fees, place as well as receive long distance telephone calls or be capable of voice and data transmission.

d. National Telecommunication Development Plan. A master plan which includes all plans related to the overall development of telecommunications facilities and services of both government and enfranchised telecommunications network operators. The plan shall include, among others, the following:

1. Development Priorities 5. Signalling
2. System Development Plan 6. Switching and Routing
3. Numbering Plan 7. Synchronization
4. Transmission Plan 8. Charging (rates and tariff)

SECTION 2. Interconnection

2.1 Interconnection of local exchanges or the public calling offices with the nationwide telecommunication network/s shall conform with the Master Development Plan.

2.2 Enfranchised and certificated/certified local exchanges, PCO's, and government-owned systems shall comply with the Spectrum Management, Technical Standards and Fundamental Technical Plans promulgated by the Commission. These standards shall include but not limited to the following:

- Transmission, routing, switching, signaling, numbering, charging, and synchronization

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- Radio Equipment

- Service performance Standard

- Customer premises equipment

- Outside Plant

- Frequency Management, including planning, engineering and assignment

2.3 Operators whether private or government of existing local exchanges or PCO's which do not meet interconnect standards shall be required to provide interface equipment and devices coordination with the inter-exchange or transmission network operator/s.

2.4 Trunking requirements will be based on the best estimates for new local exchanges and on periodic acceptable traffic studies from existing local exchanges. These studies shall be conducted jointly by the operators of local exchanges and the interchange or transmission network/s and submitted to the Commission.

2.5 Interconnecting parties shall share the cost of interconnection in accordance with their respective responsibilities; maintain and operate their facilities; and comply with their obligations as agreed upon and approved by the Commission or as prescribed by the Commission.

2.6 A Traffic Agreement format shall be prescribed by the Commission taking into consideration submitted recommendations.

SECTION 3. Revenue Sharing

3.1 Traffic settlement agreement shall be based upon: (1) a recovery of toll – related cost and a fair return on the investment of both companies in the facilities used in making the toll calls exchanged between the system and (2) a subsidy to local exchange providers.

3.2 Until modified by the NTC, the share of each operator shall be in accordance with the Order of this Commission in Case No. 88-145 issued on April 19, 1990.

3.3 The Commission shall prescribe/approve an Amended interconnection and Toll Revenue Sharing Agreement, taking into consideration the submitted documents from interconnecting parties in compliance with the Order in Case No. 88-145 and other relevant recommendations.

3.4 Shares on revenue shall be settled within ninety (90) days from receipt of settlement statements.

3.5 The Interconnect and Revenue sharing Agreements approved or prescribed by the Commission deems fit in the interest of public service.

Any Memorandum, Circular, rules and regulations of the Commission inconsistent with the provisions of this Circular are hereby deemed revised, revoked, or amended.

This Circular shall take effect immediately.

Adopted: 12 July 1990

(SGD.) JOSEFINA T. LICHAUCO
Acting Commissioner

(SGD.) FLORENTINO L. AMPIL
Deputy Commissioner

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