

[MEMORANDUM CIRCULAR NO. 05-07-2018, July 20, 2018]

INTERCONNECTION CHARGE FOR SHORT MESSAGING SERVICES AND VOICE SERVICE

*Adopted: 19 July 2018
Date Filed: 20 July 2018*

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

WHEREAS, Promotion of competition in the telecommunications market is a key Objective of Republic Act 7925 (RA 7925), 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, Republic Act 7925 further defines the role of the government to "promote a fair, efficient and responsive market to stimulate growth and development of the telecommunication 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, MC02-10-2011 and MC09-11-2016 reduced the interconnection charge for short messaging services (SMS) from PHP0.35 to PHP0.15 per SMS and for voice service from PHP4.00 to PHP2.50 per minute, respectively;

WHEREAS, in India, the interconnection charges for short messaging service (SMS) and voice service are INR0.02 (PHP0.0154) per SMS and INR0.06 (PHP0.067) per minute^[1], respectively;

WHEREAS, in Australia, the interconnection charges for short messaging service (SMS) and voice service are AUD0.0003 (PHP0.012) per SMS and AUD0.017 (PHP0.067) per minute^[2], respectively;

WHEREAS, based on the report from International Journal of Computer Networking