

MEMORANDUM CIRCULAR
NO. 09-09-2003

SUBJECT: WIRELESS DATA NETWORKS AND DEVICES

Pursuant to Act No. 3846 (Radio Control Law), Executive Order No. 546 series of 1979, RA 7925 (Public Telecommunications Policy Act) and in line with the thrust of the government to promote and develop the information and communications technology (ICT) and to facilitate the deployment, use and development of wireless internet and wireless data networks and devices the following guidelines are hereby promulgated.

Section 1 SCOPE

- 1.1 This memorandum circular shall cover all wireless data networks and devices operating within 2400MHz to 2483.5MHz, 5150Mhz to 5350MHz and 5470MHz to 5850MHz bands.

Sec 2 DEFENITION OF TERMS

The following definition shall apply within the context of this Memorandum Circular.

- 2.1 Wireless Data Network – network of computers and other computing devices utilizing radio frequencies.
- 2.2 Indoor Equipment and Devices – radio equipment and devices with an effective radiated power (ERP) not exceeding 250mQ and no external antenna, e.g. WLAN cards or other similar cards directly sold to the end-users, WLAN enabled portable computers, bluetooth enabled mobile phones, bluetooth enabled portable computers and personal digital assistants.
- 2.3 Spread Spectrum Technology – radio communication technology utilizing either direct sequence or frequency hopping technique.
- 2.4 Outdoor Equipment/Radio Station – radio equipment/station with an effective radiated power exceeding 250mW.
- 2.5 Effective radiated power – refers to the power at the output of the antenna and not the radio transmitter output.
- 2.6 Public Data Network – refers to wireless data network offered to the public for compensation and shall only be provided by duly authorized public telecommunications entities.

2.7 Private Data Network – refers to wireless data network strictly for private use and not offered to the public for compensation.

2.8 Commission – the National Telecommunications Commission.

Sec 3 OPEN AND UNPROTECTED RADIO FREQUENCY BANDS

3.1 The operation of wireless data network equipment and devices within radio frequency bands 2400MHz to 2483.5MHz, 5150MHz to 5350MHz, and 5470Mhz to 5850MHz shall be open and unprotected but shall not, however, cause interference to other authorized radio systems.

Sec 4 LIMITATIONS

4.1 Indoor Wireless Data Network (WDN) equipment and devices shall not use external antenna.

4.2 Indoor Wireless Data Network (WDN) equipment and devices can only be sold and used after these are duly registered type approved/type accepted by the Commission under this circular.

4.3 WDN equipment and devices shall strictly operate on a non-interference basis (NIB).

Sec 5 TYPE APPROVAL/ACCEPTANCE REGISTRATIONS AND LICENSING

5.1 Indoor equipment and devices shall be submitted for type approval/acceptance registration by the accredited dealers and suppliers before the equipment and devices are placed on stock and sold.

5.2 Operation of private indoor WDN equipment and devices within buildings shall not require permits and licenses provided that such equipment and devices are registered type approval/accepted by the Commission.

5.3 Duly registered indoor equipment under this circular shall bear NTC registration number issued by the Commission for proper identification.

5.4 All outdoor equipment/radio station whether for private WDN or public WDN shall be covered by appropriate permits and licenses required under existing rules and regulations.

- 5.5 Equipment or radio station whether indoor or outdoor used by public telecommunications entities (PTE) to offer duly authorized telecommunications services shall be covered by appropriate permits and licenses under existing rules and regulations.
- 5.6 Duly registered indoor equipment used by subscribers/customers of PTEs shall not be required to be covered by permits and licenses.
- 5.7 Accredited dealers and suppliers intending to import WDN equipment and devices shall;
 - 5.7.1 Secure permit to import from the Commission. The application for permit to import shall be supported by pro forms invoice detailing, among others, make/type/model and number of units to be imported.
 - 5.7.2 Imported equipment and devices shall, upon release from the Bureau of Customs, submit sales and stock report to the Commission. The Commission shall issue NTC Type Approval/Acceptance Registration Number for each of the units imported upon payment of the required registration fee.
- 5.8 WDN equipment and devices used by end-users-subscribers of PTEs shall be classified as customer premises equipment (CPE)

Sec 6

FEES AND CHARGES

- 6.1 The registration fee for indoor equipment and devices shall be PhP 100.00 per unit.
- 6.2 Each outdoor equipment/radio station shall pay appropriate permit and radio station license fee pursuant to existing schedule of fees and charges.
- 6.3 The following spectrum user fees (SUF) shall be paid annually:
 - 6.3.1 PhP500.00 for each outdoor radio station operated by private persons/entities or PTE and for each indoor radio station operated by PTEs with a maximum data rate of 11 MBPS.
 - 6.3.2 PhP1,000.00 for each outdoor radio station operated by private persons/entities or PTE and for each indoor radio

station operated by PTEs with a data rate in excess of 11 MBPS.

Sec 7 OPERATION OF SPREAD SPECTRUM TECHNOLOGY DEVICES
 WITHIN THE 2400MHz – 2483.5MHz BAND

7.1 The suspension on the filling, acceptance and processing of applications for various permits and licenses and demonstration purposes of radio equipment using spread spectrum technology (SST) within the band 2400MHz-2483.5MHz in the areas of National Capital Region, Region III and Region IV is lifted.

Sec 8 DEALERS AND SUPPLIERS

8.1 Only radio dealers and suppliers accredited by the Commission can sell WDN equipment and devices.

8.2 Duly accredited radio dealers and suppliers shall only sell and maintain on stock indoors equipment and devices duly registered under this circular.

8.3 Outdoor equipment shall only be sold to persons or entities with duly approved permit to purchase.

8.4 Accredited radio dealers and suppliers shall comply with existing rules and regulations, among others, on sales and stock reporting and permit to import, etc.

Sec 9 TRANSITORY PROVISION

9.1 Indoor and outdoor equipment/radio stations and devices purchased and/or operated to prior to the effectivity of this circular shall be registered and licensed respectively within ninety (90) days from the effectivity of this circular. Failure to comply with registration and licensing after said period shall subject the user thereof to appropriate administrative fines and sanctions.

9.2 The processing and issuance of permits and licenses for WDN shall be at the Central Office until such time as the Commission sees fit to decentralize the same to its regional offices.

Sec 10 ADMINISTRATIVE SANCTIONS

10.1 Violations of any of the provision of this circular shall be dealt with in accordance with existing rules and regulations to include

cancellation of registration, accreditation, authorization, permits and licenses.

10.2 The following fines/sanctions shall be imposed:

10.2.1 Selling of unregistered indoor and outdoor equipment and devices – Ph5,000.00 per unit with forfeiture of equipment/device.

10.2.2 Possession of illegally acquired indoor and outdoor equipment and devices – PhP5,000.00 per unit with forfeiture of equipment/device.

10.2.3 Selling of outdoor equipment to persons or entities without valid permit purchase – PhP5,000.00 per unit or station with forfeiture of equipment.

10.2.4 Possession of illegally acquired indoor and/or outdoor equipment and devices – PhP5,000.00 unit/station with forfeiture of equipment.

10.2.5 Non_submission of monthly Sales and Stock Report – Php1,000.00 per month.

10.3 Appropriate fines and other administrative sanctions, to include cancellation of registration, accreditation, authorization, permits and licenses shall be imposed on:

10.3.1 Persons/Entities operating indoor and/or outdoor equipment without valid registration and/or permits and licenses.

10.3.2 Private WDN operators offering WDN services to the public.

10.3.3 Persons/Entities operating outdoor equipment causing interference to other licensed and authorized radio systems.

Sec 11

REPEALING CLAUSE

11.1 Any circular, memorandum, order or parts thereof inconsistent with the provision of this circular shall be deemed amended or superseded accordingly.

Sec 12 EFFECTIVITY

- 12.1 This circular 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.

Quezon City, Philippines, September 12, 2003.

ARMI JANE R. BORJE
Commissioner

KATHLEEN G. HECETA
Deputy Commissioner

JORGE V. SARMIENTO
Deputy Commissioner