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BY THE PRESIDENT OF THE PHILIPPINES

MFN 9683

EXECUTIVE ORDER No. 307

PROVIDING FOR A NATIONAL POLICY ON THE ALLOCATION
AND USE OF RADIO FREQUENCIES

WHEREAS, the radio frequency spectrum is a scarce public resource, and there is a need for a transparent, fair, and economically efficient procedure that shall expedite its allocation to service providers who will use it efficiently and effectively to meet public demand for telecommunications services;

WHEREAS, international 3rd Generation ("3G") standards technology is the family of compatible mobile wireless technologies that the International Telecommunication Union has approved for terrestrial radio interface, and that will be adopted globally for full systems harmonization, resulting in considerable interest and demand for 3G spectrum frequencies;

WHEREAS, not all 2nd Generation ("2G") frequencies allocated by the National Radio Frequency Allocation Table ("NRFAT") for mobile telecommunications systems have been allocated to current 2G mobile networks;

WHEREAS, under Executive order No. 546 dated July 23, 1979, the National Telecommunications Commission ("NTC") is vested with the functions to "grant permits for the use of radio frequencies for wireless telephone and telegraph systems and radio communication systems", and "sub-allocate series of frequencies of bands allocated by the International Telecommunications Union to the specific services";

WHEREAS, under NTC Memorandum Circular No. 3-3-96 ("MC 3-3-96"), the allocation of radio frequencies is subject to (a) the periodic review of the NRFAT, (b) consultation with the industry and/or affected parties, (c) consistency with the International Table of Radio Frequency Allocation, and with national priorities, (d) customer demand and radio frequency planning studies, and (e) allocations reserved for customer access services, broadcast services, maritime, aeronautical and other safety services, military and government radio stations;

WHEREAS, spectrum auctions in other countries show that well-designed auctions offer a more transparent, fair, and economically efficient option for allocating select frequencies;



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NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Republic of the Philippines, by virtue of the powers vested in me by law, hereby direct and order, as follows:

SECTION 1. Institutionalizing Radio Frequency Auctions. The radio frequency spectrum, including 3G radio frequency spectrum, and other parts of the radio frequency spectrum not yet allocated at the time of this order's effectivity, shall be allocated through auction, subject to the terms and conditions as approved by the Joint Committee formed herewith.

SECTION 2. Formation of a Joint Committee. A three-member committee is hereby created to promulgate guidelines, as well as manage and supervise the allocation and auction of radio frequency spectra. The Committee shall be composed of the Commissioner of the National Telecommunications Commission (NTC), and shall have one member from the Department of Transportation and Communication (DOTC), and one from the Economic Coordinating Council (ECC).

Decisions of the Joint Committee shall be determined by a majority vote of its members.

SECTION 3. Powers and Functions of the Committee. For each set of spectrum auctions, the Joint Committee shall have the following functions and responsibilities:

- a) Within sixty (60) days from the effectivity of this order, promulgate bidding guidelines that will cover, among others, the following concerns:
 - i) designate the actual frequencies of the license to be auctioned off
 - ii) prescribe the terms and conditions of each license, including the obligation to provide local exchange carrier service or its equivalent, as well as the number of years for which the license is granted
 - iii) set the indicative or floor price for each license
 - [iv] instruct on the use or transfer of the auction proceeds
- (b) formulate the rules and regulations governing the allocation of new radio frequencies
- (c) manage and supervise the frequency auction process to be conducted
- (d) contract the services of financial and/or technical advisers of proven expertise in the allocation of radio spectrum frequencies



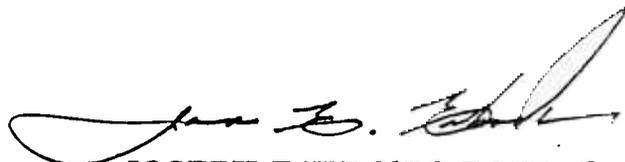
(e) if necessary, create a working committee and/or secretariat that will facilitate the tasks of the Committee.

SECTION 4. Implementation. The NTC, the DOTC, the ECC and other appropriate government instrumentalities are hereby directed to take all the necessary steps to implement the purposes and objectives of this Executive order.

SECTION 5. Repealing Clause. All executive orders, administrative orders, and other executive issuances, including Memorandum Circulars from the National Telecommunications Commission, inconsistent with this order are hereby repealed, modified, or amended accordingly.

SECTION 6. Effectivity Clause. This order shall take effect immediately.

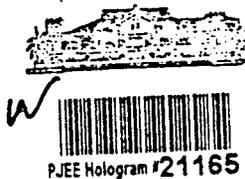
DONE in the City of Manila, this 31st day of October in the Year of our Lord, Two Thousand.


JOSEPH EJERCITO ESTRADA

By the President:


RONALDO B. ZAMORA
Executive Secretary

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DEC 29 2000
Date




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