



DEPARTMENT ORDER NO. 002
Series of 2018

**DIRECTING THE NATIONAL TELECOMMUNICATIONS COMMISSION TO
REDUCE THE INTERCONNECTION RATES BETWEEN PUBLIC
TELECOMMUNICATIONS OPERATORS**

WHEREAS, Section 24, Article II of the 1987 Philippine Constitution declares that the State recognizes the vital role of communication and information in nation-building;

WHEREAS, it is a declared national policy that telecommunications is essential to the economic development, integrity and security of the Philippines, and as such shall be developed and administered as to safeguard, enrich and strengthen the economic, cultural, social and political fabric of the Philippines;

WHEREAS, it is a declared national policy that a fair and reasonable interconnection of facilities of authorized public network operators and other providers of telecommunications services is necessary in order to achieve a viable, efficient, reliable and universal telecommunications services;

WHEREAS, the Department of Information and Communications Technology (DICT) is mandated under Republic Act No. 10844 to be the primary policy, planning, coordinating, implementing, and administrative entity of the Executive Branch of the government that will plan, develop, and promote the national ICT development agenda;

WHEREAS, the National Telecommunications Commission (NTC), as an attached agency of the DICT, is responsible for mandating 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, it has been observed that mobile voice and short message service rates in the Philippines are among the highest in Asia;

WHEREAS, the interconnection rates for mobile voice and short message service form part of the retail rates offered by mobile telecommunications companies;



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WHEREAS, there is a need to make the mobile voice service and short message service in the Philippines more affordable for the ordinary Filipino consumer;

WHEREAS, it is the objective of the Duterte Administration to ensure reliable, inexpensive and secure telecommunications services in the country;

WHEREAS, the entry of the new major player in the telecommunications market is a matter of paramount national interest which shall redound to the benefit of the public by ensuring genuine competition in the country's telecommunications industry;

WHEREAS, affordable interconnection charges would encourage competition and would attract new major telecommunications players by creating a healthy environment conducive for competition and fair level playing field;

NOW THEREFORE, for and in consideration of the foregoing premises, the DICT hereby directs NTC to formulate concrete measures that will ensure that interconnection rates for both mobile voice and short message services are reduced to the minimum taking into consideration the best interest of the ordinary Filipino consumer.

This Department Order shall take effect immediately.

11 May 2018, Quezon City.


ELISEO M. RIO, JR.
Acting Secretary

