

**MEMORANDUM CIRCULAR**  
**NO. 07-06-2002**

**SUBJECT: SERVICE PERFORMANCE STANDARDS FOR THE CELLULAR  
MOBILE TELEPHONE SERVICE**

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Pursuant to RA 7925, Public Telecommunications Policy Act, Executive Order No. 546 series of 1979, and in order to promote public welfare and interest, the Commission hereby promulgates the following standards for cellular mobile telephone service (CMTS).

**SCOPE**

1. All cellular mobile telephone service (CMTS) operators operating within the Republic of the Philippines shall adhere to the standards and requirements prescribed in this circular.
2. Values indicated in this circular are minimum standards and requirements.

**DEFINITION OF TERMS**

3. The following definitions shall apply:
  - a. Grade of Service (GOS) – a measure of the probability that during a specified period of peak traffic, usually the busy hour (BH), a call offered to a group of trunks or circuits will fail to find an idle circuit at the first attempt.
  - b. Busy Hour – the continuous one-hour period when the traffic is at its peak.
  - c. Drop Call – a call that is irregularly terminated (neither the calling party nor the called party has sent a call clear signal or initiated the end of the call). A call attempt that is dropped before six (6) seconds after the called party answers shall not be considered a call.
  - d. Drop Call Rate (DCR) – ratio of calls that irregularly terminated to the total number calls made during the measurement period.

**SERVICE PERFORMANCE STANDARDS**

4. All CMTS operators shall adhere to the following:

Grade of Service (GOS) = 7% (end-to-end within the operator's own network)

Allowable drop call rate (DCR) = 5%

CMTS operators are encouraged to improve the GOS by 1% and DCR by 1% every two (2) years until the GOS is 4% and the DCR is 2%.

Newly authorized CMTS operators may have a DCR of 7% at the start of commercial operation. After one (1) year from the start of commercial operations, the DCR shall be 5%.

5. The DCR and the GOS shall be measured based on the monthly statistical data from the operations of the CMTS network. The Commission, however, may conduct actual ocular inspections and/or actual test measurements anytime. During inspections and test measurements the Commission may allow representatives of consumer groups to participate.
6. Applicable service performance standards prescribed in MC 10-17-90 shall form part of this circular.
7. The GOS and DCR shall be determined every quarter.

#### **SANCTIONS**

8. CMTS operator that fail to comply with herein prescribed standards particularly on the GOS and DCR shall explain to the Commission within a reasonable time from date of written notice the reasons why it failed to comply with the prescribed standards. If the Commission finds that the reasons are not meritorious, the CMTS operator may be directed to cease from accepting new customers/subscriptions until the prescribed standards are fully complied with.
9. The Commission may impose penalties pursuant to law for non-compliance to the herein-prescribed service performance standards.

#### **REPEALING CLAUSE**

10. Any circular, memorandum, rules and regulations or parts thereof inconsistent with this circular are deemed amended, superseded or revoked.

#### **EFFECTIVITY**

11. This circular shall be effective 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, June 05, 2002.

**(SGD.) ELISEO M. RIO JR.**  
Commissioner

**(SGD.) KATHLEEN G. HECETA**  
Deputy Commissioner

**(SGD.) ARMI JANE R. BORJE**  
Deputy Commissioner