

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENT:

This Agreement is made and entered into this _____ day of _____ 2006, in Camp Crame, Quezon City by and between:

24 APR 2006
day of _____

NATIONAL TELECOMMUNICATIONS COMMISSION, a Government entity with principal office at the NTC Building, BIR Road, East Triangle, Diliman, Quezon City, represented by COMMISSIONER RONALD OLIVAR SOLIS, herein referred to as "NTC"

-and-

PHILIPPINE NATIONAL POLICE, an agency of the Government created and existing by virtue of and pursuant to RA No.6975, as amended by RA No.8551, with principal Headquarters/office at Camp Crame, EDSA, Quezon City, represented by POLICE DIRECTOR GENERAL ARTURO C LOMIBAO, Chief PNP, herein referred as the "PNP";

WITNESSETH

WHEREAS, there is a need to effectively address the unabated criminal incidents involving mobile cellular telephones, including but not limited to robbery and/or theft thereof which sometimes result in death or injury to persons; prank calls and hoaxes; threats and various forms of harassment; swindling through the use of text messaging; and illicit trade of illegally sourced or stolen mobile phones;

WHEREAS, the NTC is tasked to supervise and regulate the telecommunications industry and charged with the duty of administering and enforcing existing laws, rules and regulations, pertaining to the manufacture, sale, purchase, transfer, possession, ownership, use, and operation of all transmitters/transceivers including mobile cellular telephones, cannot on its own, effectively curb the aforesaid problems;

WHEREAS, the PNP is the principal law enforcement agency of the government, with capability, logistics, manpower and other resources aimed at promoting peace and order and ensuring public safety and security, is ready, willing and able to support the NTC's efforts to protect the interests of the general public and the mobile telephone subscribers;

NOW THEREFORE, for and in consideration of the above premises, the Parties hereto agree as follows:

1. The NTC and the PNP shall jointly come up with a set of guidelines for the purpose of regulating the sale and/or trading of second-hand mobile phones (aimed at curbing the illicit trade of illegally sourced or stolen mobile phones). These guidelines shall then form part of a "DIRECTIVE" to be issued by the Chief PNP for strict compliance PNP-wide and shall provide, among others, that:

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- a. The PNP, through its city/municipal police offices/stations, shall issue the corresponding clearances and/or permits to dealers/retailers of second-hand mobile phones, within their respective jurisdictions, to buy and/or sell second-hand mobile phones pursuant to the said Directive in connection with the implementation of Presidential Decree 1612, otherwise known as the Anti-Fencing Law. However, the NTC shall provide the PNP with additional guidelines for the issuance of such clearances and/or permits;
 - b. Both the NTC and PNP shall require all suppliers, dealers, and retailers to keep, at all times, a record with regard to the origin or source of second-hand mobile phones, indicating therein the name, address of the seller, as well as the documents pertaining to the cell phone unit itself;
 - c. The PNP and the NTC shall conduct joint and coordinated inspections and operations against establishments in the enforcement of the Chief PNP's Directive, P.D. No. 1612, and NTC Circulars, and shall seize from suppliers, dealers, retailers, and service centers, whether registered or unregistered, such illegally sourced or stolen mobile phones or equipment and/or software used to alter the EMEL code/s or number/s of cell phones;
 - d. The NTC, through its Regional Offices, shall take custody of all cellular phones seized during these operations or those recovered by the PNP, for the purpose of checking with the database the origin or source, ownership and other pertinent information regarding these seized cellular phone units;
 - e. In cases where a mobile phone unit's ownership can readily be ascertained, it shall be immediately released to the claimant upon showing proof of ownership. However, if a cell phone is a piece of evidence in a pending criminal case, release shall only be made upon the termination thereof or as may be ordered by the Court.
2. The PNP shall take action on all complaints relative to mobile phone robbery and theft, incidents of prank calls and hoaxes, threats and other forms of harassments, text scams and other unlawful activities committed through the use of mobile phones and/or similar means of communications.

The PNP shall provide the NTC with a list of mobile phones stolen and recovered by indicating thereat the number, make, model and the circumstances surrounding its recovery, including the name of the suspect, if available.

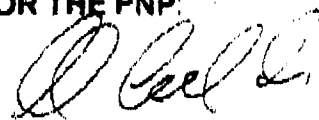
3. The NTC shall:
- a. Embark on a cell phone registration program;
 - b. From time to time, publish in the newspaper the number/ description of the cell phones in its custody and those turned-over/ recovered by the PNP to inform the owners;
 - c. Inform and educate the public through various means on the measures a subscriber may take against the unlawful activities involving the use of mobile phones, including but not limited to the

precautions to take when purchasing a second-hand mobile phone, as well as what steps may be taken in reporting or claiming a lost or stolen mobile phone, or requesting for its "blocking".

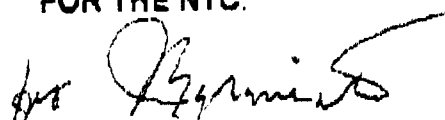
- 4. The NTC and the PNP shall bear the needed logistical support of their respective personnel. They shall utilize such available facilities and manpower for the efficient implementation of these intents and shall come with the necessary operational guidelines.
- 5. The NTC and the PNP shall jointly create an Oversight Committee that shall see to it that the objectives of this Agreement are achieved, with the end result that crimes and offenses involving cellular phones are greatly reduced if not totally eradicated. The Oversight Committee shall also supervise and manage the NTC-PNP joint operations conducted under this Agreement.
- 6. This Memorandum of Agreement may be reviewed and amended by mutual consent of the parties through a written notice or proposal from either party.

IN WITNESS WHEREOF, the Parties have hereunto executed this Agreement through their duly authorized representatives on the date and place first above written.

FOR THE PNP:


PDG ARTURO C LOMIBAO
 Chief, PNP

FOR THE NTC.


ATTY RONALDO OLIVAR SOLIS
 Commissioner

In the Presence of:


PDIR ANTONIO P BILLONES
 Director for Operations


ATTY JORGE V SARMIENTO
 Deputy Commissioner


PCSUPT GERARDO C HILOMEN
 Director, Communications and
 Electronics Service


ATTY JAIME M FORTES, JR
 Deputy Commissioner