

**MEMORANDUM CIRCULAR  
NO. 12-07-99**

**SUBJECT: ADDITIONAL IMPLEMENTING RULES AND REGULATIONS OF  
MEMORANDUM CIRCULAR NO. 13-10-98**

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Pursuant to Memorandum Circular No. 13-10-98, the following rules and regulations are hereby promulgated:

**SEC. I       DEFNITIONS**

*System* - shall refer to the broadcast and cable TV and its auxiliary equipment of the broadcast service provider. The term excludes power, water, and other utility systems on which the systems may rely and which are not within the control of the broadcaster.

*Millennium Bug* -shall refer to the inability of computer-based systems and products which include hardware and software and products with embedded system to function properly at the turn of the century.

*Year 2000 Compliant* - shall refer to the systems and products that have satisfied the criteria defined by the British Standards Institute such as:

- (a) no value for current date will cause any interruption in operation;
- (b) data-based functionality must behave consistently for dates prior to, during, and after the year 2000;
- (c) in all interfaces and data storage, the century in any date must be specified either explicitly or by unambiguous algorithms or interfacing rules;
- (d) the time and date data must be recognized and processed correctly before, during, through and beyond the year 2000 and the year 2000 must be recognized as a leap year; and
- (e) when used in connection or in conjunction with other year 2000 complaint equipment or software required for the provision of broadcast services, shall properly exchange time and data with such other year 2000 related software or hardware.

*Broadcast Service Provider (BSP)* - shall refer to any broadcast entity engaged in the provision of broadcast services duly authorized by the Commission.



*Cable TV Service Provider (CSP)* - shall refer to any Cable TV entity engaged in the provision of Cable TV services duly authorized by the Commission.

*Telecommunication Year 2000 Forum (Y2K Forum)* - shall refer to the group of telecommunications services providers established through this Commission for the exchange of information on Year 2000 compliance.

*Commission* - shall refer to the National Telecommunications Commission

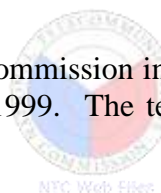
*Contingency Plan* - shall refer to the plan of the BSP to ensure the continuity of the provision of broadcast services in all of its duly authorized areas through the Year 2000.

## **SEC. II YEAR 2000 COMPLIANCE PROGRAM**

1. All Broadcast Service Providers (BSP) and Cable TV Service Providers (CSP) are hereby enjoined to make their systems Year 2000 compliant.
2. Every BSP and CSP is required to:
  - a. conduct a comprehensive inventory of all its Systems that may be date sensitive and possibly affected by the millennium bug;
  - b. submit to the Commission on or before 31 August 1999, its Year 2000 Program Report containing the following information:
    - b.1 a description of the BSP's and CSP's Year 2000 compliance program which shall include:
      1. a statement of the BSP's and CSP's Year 2000 compliance to the criteria defined by the British Standards Institute;
      2. the methodology and manner by which the company has performed an inventory of all its Systems;
      3. the methodology and manner for the determination and verification of Year 2000 compliance and non-compliance of the BSP's and CSP's Systems;
      4. names of responsible officers heading the company's Year 2000 Compliance Program and any consultants and external parties or consultants

engaged to assist the company in performing Year 2000 compliance activities

- b.2 a list of all Systems which will be in operation on 31 December 1999 directly involved in the provisioning of broadcast services, and their respective vendors; the list must also contain a risk rating of each system (high/medium/low) in accordance with the function performed by the System in the rendition of the broadcast services;
  - b.3 an indication of which Systems are and are not Year 2000 compliant; if the System is totally or partially non-compliant, the BSP and CSP should provide a further explanation of the nature of the non-compliance, and if the non-compliance is vendor-related;
  - b.4 measures taken to tests performed to verify compliance of Systems rated Year 2000 Compliant;
  - b.5 measures taken to remedy/address non-compliant Systems, and the implementation period of these measures; and
  - b.6 contingency plans to ensure the continuity of the provision of broadcast services through Year 2000.
3. Test plans shall be implemented immediately. Such tests shall:
- 1. correct dates processing beyond 01 January 2000;
  - 2. ensure that applications correctly run in a Y2K environment;
  - 3. show that no functional changes occur given Year 2000 date and time data;
  - 4. test internal and external interfaces;
  - 5. ensure that System performance is not degraded; and
  - 6. ensure that archived data is retrievable.
- a. The report of all testing shall be submitted to the Commission in a consolidated Test Report on or before 31 August 1999. The test report shall include:



- a. 1 a statement of document testing standards, test processes and critical date list within its test report; and
- a.2 a Year 2000 Compliance Statement signed by a responsible officer of the BSP and CSP based on one or more of the following criteria:
  - 1. the vendor or supplier of the System has informed the BSP and CSP that the System is Y2K compliant, and that the vendor or supplier has conducted testing, but that such claims have not been substantiated by the BSP and CSP through independent testing;
  - 2. the supplier of the System has informed the BSP and CSP that the System is Y2K compliant and the BSP and CSP has undertaken its own testing regime to attempt to substantiate the supplier's representations; and
  - 3. the supplier of the System has not provided the BSP and CSP with a Y2K compliance statement but the BSP and CSP has conducted testing to determine the readiness of the System.
- 4. The Commission may request the Year 2000 Forum to provide suitable observers to verify the success of such tests.
- 5. Where non-compliance is found to be caused by any vendor's or supplier's refusal to support or upgrade non-Y2K compliant equipment, the Commission may require explanations from the vendor or supplier and, where necessary in the interest of public service, mediate in order to assist the parties to achieve a speedy resolution of the issue.

### **SEC. III SANCTIONS**

- 1. The Commission may suspend the grant of a provisional authority for a new service if it finds, after hearing and due process that a company has failed to comply with the requirements of the Year 2000 compliance program set forth in the immediately preceding this Section.
- 2. The commission may, after hearing and due process, suspend the renewal of existing provisional authorities which the broadcaster is found to have Systems which are non-Y2K compliant after 31 August 1999 and for which the BSP and CSP has not provided any adequate contingency plan to ensure continuity of the service through the Year 2000.

3. The suspension contemplated in this section shall last until such time as, in the reasonable judgment of the Commission, the BSP and CSP have addressed the non-compliance or implemented a suitable contingency plan, which ensures continuity of the service through the Year 2000.
4. The foregoing sanctions shall not apply if the non-compliance is found to be due to the failure of any vendor or supplier of the equipment to support or upgrade any System in order to make it Y2K compliant. The Commission may, after hearing and due process, revoke the registration of any vendor, supplier or broadcast equipment dealer found to have supplied non-Y2K compliant equipment and who refuses to support or upgrade non-Y2K compliant equipment in order to make them Y2K compliant, without prejudice to other sanctions which the Commission may apply under existing laws and without prejudice to other remedies which the BSP and CSP may have in the regular courts to redress its grievances against the vendor or supplier. The Commission may also make the appropriate recommendations to other government agencies on applicable actions to address any findings against the vendors or suppliers.

#### **SEC. IV EFFECTIVITY**

This Memorandum Circular amends, modifies or supersedes circulars, orders, issuances or any part or parts thereof inconsistent herewith, and, takes effect fifteen (15) days upon publication in a newspaper of general circulation and three (3) certified true copies furnished the UP Law Center.

Quezon City, Philippines, July 07,1999.

**(SGD.) JOSEPH A. SANTIAGO**  
Commissioner

**(SGD.) NESTOR C. DACANAY**  
Deputy Commissioner

**(SGD.) AURELIO M. UMALI**  
Deputy Commissioner

