Republic of the Philippines
House of Representatives
Quezon City

Thirteenth Congress

First Regular Session

HOUSE BILL NO. 1098

Introduced by **Representative JOEY SARTE SALCEDA**

EXPLANATORY NOTE

Consumers rely increasingly on cellular mobile telephone service for personal, business, and emergency communications. There are currently more than 23 million cellular mobile telephone users in the Philippines as of the end of 2003. This has grown by a compounded growth rate of 69% every year since 1999. This number is seen to grow further as consumers continue switch from wireline to wireless telephone service for their primary telephone service

The lack of cellular mobile telephone number portability – the capacity of a consumer to retain a cellular mobile telephone number when changing cellular mobile telephone service providers – is a barrier to competition in the market for cellular mobile telephone service. The lack of number portability acts as disincentive to cellular mobile telephone service providers to improve the quality of their cellular mobile telephone service. On the other hand, it is also a deterrent for customers to switch from their existing service providers even if they have to bear with unsatisfactory service. This problem imposes significant costs on individual consumers and businesses looking to change cellular mobile telephone service providers in consideration for the best cost and service in the market. More than half of business cellular mobile telephone users report that cellular mobile telephone portability number would make them more likely to change cellular mobile telephone service providers.

Consumers cannot easily compare offers for cellular mobile telephone service because information on terms, pricing, and service plans for such service is not presented in a uniform manner. Current cellular mobile telephone service contracts do not clearly display the information consumers need to make an informed choice regarding a cellular mobile telephone service contract. Consumers may not be aware of the deficiencies in cellular mobile telephone service quality until after they have signed a contract, and exorbitant early termination penalties effectively lock consumers into undesired, long-term contracts.

From the foregoing reasons, immediate approval of this bill is earnestly sought.

JOEY SARTE SALCEDA

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AN ACT
TO PROVIDE AND PROMOTE NUMBER PORTABILITY FOR CELULLAR MOBILE TELEPHONE SERVICE, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* – This Act shall be known as the "Cellular Mobile Telephone Number Portability Act of 2004."

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to favor an open and competitive environment for cellular mobile telephone service in the country. In conformity with international telecommunications conventions, the State shall ensure the improvement in the quality of said service, as well as its orderly development. The State shall also promote and sustain consumer choice in the cellular mobile telephone service market by eliminating the barriers to competition in said market. The State shall protect the consumers from disincentives and anti-competitive practices of the service providers.

SEC. 3. *Definition of Terms.* – As used in this Act, the following shall have for its meaning:

(a) "Cellular Mobile Telephone System (CMTS)" is a wide area mobile radio telephone system composed of clusters of cells capable of providing high-capacity mobile as well as fixed telecommunications by utilizing frequency re-use techniques.

(b) "Cellular Mobile Telephone Number Portability" is the right of a consumer to retain a cellular mobile telephone number when changing cellular mobile telephone service provider.

(c) "Commission" refers to the National Telecommunications Commission.

(d) "Certificate of Public Convenience & Necessity" is an authority to operate a public telecommunications service issued by the Commission based on the premise that the provision of said service and the authorization to do business will promote public interest in a proper and suitable manner.

(e) "Provisional Authority" is a temporary authority to operate a public telecommunications service issued by the Commission.

(f) "Franchise" is a privilege conferred upon a telecommunications entity by Congress, authorizing that entity to engage in a certain type of telecommunications service.

SEC. 4. *Coverage.* – This Act shall apply to all cellular mobile telephone service providers who are holders of a franchise and has secured a Certificate of Public Convenience and Necessity (CPCN) or Provisional Authority (PA) from the Commission.

SEC. 5. *Compliance Mechanism.* – Pursuant to the above declared policy and in furtherance of the purposes of this Act, the Commission shall require each cellular mobile telephone service providers to provide consumers with the option to port telephone numbers between cellular mobile telephone service providers by implementing Cellular Mobile Telephone Number Portability throughout the networks of cellular mobile telephone service providers.

SEC. 6. *Disclosure Requirements for Plans and Contracts.* – The Commission shall require that any publication, including publication on the Internet, of a cellular mobile telephone service providers of the terms of a plan or contract for cellular mobile telephone service shall set forth, in a plain and conspicuous manner, the following information:

(a) Charges – Information on charges, including calling-from area, monthly base charge, per-minute charges for minutes not included in the plan, and the method of calculating minutes charged.

(b) Minutes – Information on minutes included in the plan, including weekday/daytime, nights/weekends, long-distance, roaming, incoming and customer service assistance.

(c) Contract terms – Information on plan or contract terms, including length of contract, early or other termination fees, trial periods and start-up fees.

(d) Taxes – Information on taxes to be collected by the cellular mobile telephone service provider for, and paid to, the government.

(e) Surcharges – Information on surcharges imposed by the cellular mobile telephone service provider for the cost of compliance with regulations or for other purposes.

(f) Other information – Any other information that the Commission considers appropriate to ensure that consumers are fully informed of the terms of the plan or contract.

Not later than six (6) months after the date of the enactment of this Act, the Commission shall prescribe regulations requiring that the information required as stated above be published by cellular mobile telephone service providers in a tabular format and in a clear and uniform manner.

SEC. 7. *Provision of Information on Service Coverage.* – Each cellular mobile telephone service provider shall make available a map showing the service area of such provider, upon the request of the consumer and whenever a plan or contract for the service is entered into. Each such map shall contain the maximum practicable level of granularity and shall be updated semi-annually.

SEC. 8. *Monitoring of Service Quality.* – The Commission shall monitor the quality of cellular mobile telephone service provided in the Philippines by requiring semi-annual reports by cellular mobile telephone service providers on the following:

(a) Dropped calls.

(b) Blocked calls.

(c) Known coverage gaps (including average signal strength) or dead zones.

(d) Predicted street level signal strength.

(e) Any other matters the Commission considers appropriate.

SEC. 9. *Complaints Mechanism.* – In monitoring the quality of cellular mobile telephone service as provided in Section 8 of this Act, the Commission shall establish a complaints mechanism at which consumers can submit to the Commission their comments and views on the quality of such service. Moreover, the Commission shall make available to the cellular mobile telephone service providers and the public in general, information on the quality of cellular mobile telephone service on an annual basis.

SEC. 10. *Separability Clause.* – If any of the provisions or articles of this Act or the application thereof to any circumstances is held unconstitutional or invalid, the remainder of this act or the application of other provision or article to any circumstances not be affected by such declaration of invalidity shall remain in full force and effect.

SEC. 11. *Repealing Clause.* – All laws, decrees, ordinances, rules and regulations, executive or administrative orders, and such other presidential issuances inconsistent with any of the provisions of this Act are hereby repealed, amended or otherwise modified accordingly.

SEC. 12. *Effectivity Clause.* – This Act shall take effect after fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of national or general circulation.

Approved,