

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

Thirteenth Congress
First Regular Session

House Bill No. 2452



Introduced by Honorable Gilbert C. Remulla

EXPLANATORY NOTE

The mobile phone industry is one of the most dynamic and fastest growing industries in our country. The Filipino's penchant for keeping in touch with relatives and friends has given the mobile phone industry an assured market of patrons for their products and services.

So ingrained has the mobile phone become to the lives of the Filipinos that it is now a virtual necessity instead of a luxury that it was in a span of time as short as half a decade ago. With the continued patronage of the Filipino, a new expense has been created which ultimately eats up part of the person's budget.

This bill seeks to give the Filipino consumer a much-needed break by requiring mobile phone service providers to "equitably" charge their subscribers per six (6) seconds of usage which translates to a 0.1 minute usage.

Under the present scheme, mobile phone users are charged a minimum of one minute for a call even if the duration of the call is only for 1 second, and an additional minute for any fraction above a full minute.

Another break for the consumer is the requirement on service providers to furnish the pre-paid subscriber a breakdown of the charges should the subscriber desire one.

This bill also comes in the midst of efforts by the National Government to raise revenue via imposition of new taxes upon various business industries, enterprises and/or sectors in order to address the ever-widening budget deficit.

The Telecommunications industry is one of the sectors presently eyed as a possible source of additional government revenue.

While the giant service providers are the ones upon which these new taxes will be imposed, conventional wisdom and logic tells us that these costs are ultimately passed on the subscribing public.

Hence, approval of this bill is earnestly sought.


GILBERT C. REMULLA

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AN ACT
REQUIRING TELECOMMUNICATIONS COMPANIES PROVIDING
MOBILE TELEPHONE SERVICES TO CHARGE MOBILE
TELEPHONE USERS FOR EVERY SIX SECOND PULSE OF USAGE
AND TO REQUIRE SUCH SERVICE OPERATORS TO GIVE A
DETAILED BILLING FOR PRE-PAID SUBSCRIBERS

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 "Truth in Mobile Telephone Billing Act".

Sec. 2. *Declaration of Policy.* - The State is mandated to protect the consumers from trade malpractices committed by big corporations who offer their products and services to the public.

This Act shall require telecommunications companies rendering mobile telephone services to provide accuracy in their billing systems and transparency in informing their subscribers with respect to the consumption of their pre-paid credits.

Sec. 3. *Definition of Terms.* – As used in this Act:

a) “Mobile cellular phone” refers to a mobile communications device that uses a combination of radio transmission and conventional telephone switching to permit telephone communication to and from mobile users within a specified area.

b) “Service provider” refers to entities which have been given legislative franchises by Congress, which provide Cellular Phone Services to the general public;

c) “Post-paid subscriber” refers to a subscriber who is billed for his air time usage after the lapse of a specific period of time;

d) “Pre-paid subscriber” refers to a subscriber who loads his own credits to his mobile cellular phone and is thus not subject to a billing for his air time usage and short messaging service usage;

e) “Air time usage” refers to the actual time spent using a mobile cellular phone.

f) “Short messaging service usage” refers to a service that allows short, alphanumeric messages to be sent to cellular phone display panels.

g) “Service charge” refers to the amount customers pay each month to receive wireless service. This amount is fixed, and to be paid monthly regardless of how much or how little customers use their wireless phone.

h) “Department” refers to the Department of Transportation and Communications.

i) "N.T.C." refers to the National Telecommunications Commission.

j] "Pulse" refers to a six second period.

Sec. 4. *Manner of Billing.* A subscriber of mobile telephone services shall only be billed for the actual air time usage. Actual air time usage shall mean the usage of the mobile telephone service by the subscriber to be determined per six (6) seconds or one (1) pulse of actual use which will translate to one-tenth (0.1) of a minute.

There shall be a minimum one-tenth (1/10) or zero-point-one 0.1 of a minute charged even if a mobile cellular phone call lasts less than the six (6) second technical length of a 0.1 minute phone call.

Sec. 5. *Rate of Billing.* - The six (6) seconds of actual use shall be billed at the rate of one-tenth of a minute using the applicable rate for the particular plan of the mobile telephone, whether a post-paid subscriber or pre-paid service subscriber.

Sec. 6. *Pre-paid subscribers bill breakdown.* - Service providers shall be required to entitle pre-paid subscribers to have a detailed billing on the usage of their mobile telephone by presenting their consumed pre-paid card to the designated business center of the service providers within seven (7) working days after the consumption or expiration of their pre-paid cards.

If the manner used by the pre-paid subscriber to acquire his credits is via credit loading center, the tracer number transmitted by the Service Providers in acknowledging the transmission of the load shall suffice in lieu of a pre-paid card.

Sec. 7. *Implementing Agency.* - The National Telecommunications Commission (NTC) shall be the lead agency in the implementation and enforcement of this act.

The NTC shall, in coordination with the Department of Transportation and Communication, work out a system with the various Service Providers in monitoring the proper and effective implementation of this act.

After the NTC shall have come up with a set of guidelines on the proper implementation of this Act, the same shall be submitted to the respective Oversight Committees of the Senate and the House of Representatives which shall be created.

Sec. 8. *Prohibitions.* - It shall be deemed a violation of this Act for the Service Providers to impose a one (1) minute minimum rate for any phone call made by their subscribers.

The non-presentation of a detailed copy of the breakdown of a pre-paid subscriber's consumption upon proper presentation of proof required in Section 6 hereof shall be deemed a violation of this Act.

Sec. 9. *Report of Violations.* - Any natural or juridical person may report before the National Telecommunications Commission any violation of this Act.

Sec. 10. *Penalties.* - Penalties for the violations of this Act shall be determined by the Implementing Rules and Regulations approved by the Joint Congressional Oversight Committees.

Penalties to be imposed by the Joint Congressional Oversight Committee for the Truth in Mobile Telephone Billing Act may range from the imposition of fines ranging from One Million Pesos (PhP 1,000,000.00) to Ten Million Pesos (PhP 10,000,000.00) and/or a suspension or revocation of a Service Provider's Legislative Franchise or both.

Sec. 11. *Congressional Oversight Committee on Truth in Mobile Telephone Billing Act.* - The Congressional Oversight Committee on the Truth in Mobile Telephone Billing Act shall be composed of the Chairman and Vice-Chairman of the Senate Committee on Transportation and Communication and the Chairman and Vice-Chairman of the House of Representatives Committee on Trade and Industry, and two (2) members each from the Senate and House of Representatives who shall be designated by the Senate President and the Speaker of the House of Representatives: Provided that one (1) of the two (2) Senators and one (1) of the two (2) House Members shall be nominated by the respective Minority Leaders of the Senate and House of Representatives.



Sec. 12. *Implementing Rules and Regulations.* - The Congressional Oversight Committee on the Truth in Mobile Telephone Billing Act in coordination with the Department of Transportation and Communication, Department of Trade and Industry, and the National Telecommunications Commission, and other relevant government agencies shall, within sixty (60) days from the effectivity of this Act, submit the implementing Rules and Regulations (IRR) governing this Act. The Congressional Oversight Committee on the Truth in Mobile Telephone Billing Act shall approve the IRR within thirty (30) days.

Sec. 13. *Separability Clause.* - If, for any reason, any provision of this Act or part thereof is declared unconstitutional or invalid by a court of competent jurisdiction, the other provisions or parts thereof not affected shall remain in full force and effect.

Sec. 14. *Repealing Clause.* All laws, decrees, orders, rules and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Sec. 15. *"Effectivity"* - This Act shall take effect upon its approval.

APPROVED,