

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

13TH CONGRESS
First Regular Session

HOUSE BILL NO. 2654

Introduced By: AUGUSTO H. BACULIO

EXPLANATORY NOTE

Telecommunications is essential to economic development. New advances in technology, particularly in the field of communications, have helped bring about an invigorated economy.

At present, there are six (6) cellular telephone companies operating nationwide with approximately 2 million subscribers and still expanding by leaps and bounds. These companies are Smart Communications (Smart), Pilipino Telephone Corporation (Mobiline), Express Telecommunications Company (Extelcom), Globe Communications (Globe), Isla Communications (Islacom) and Sun Cellular.

Cellular Mobile Telephone System (CMTS) operators are issued certificates of public convenience and necessity (CPCN) by the National Telecommunications Commission (NTC) "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". Republic Act No. 7925, otherwise known as the Public Telecommunications Act of the Philippines provides among others "the right of end users to entitlement of utility service which is non-discriminatory, reliable and confirming with the minimum standards set by the National Telecommunications Commission".

In enrolling for a cellular mobile phone service, subscribers are given the choice between the pre-paid and a subscription plan in varying price packages. The cellular phone pre-paid system offers subscribers the following features: same-day activation, airtime control, and non-documentation of calls.

Under the pre-paid system, subscribers are paying cellular mobile telephone companies for calls to be made within a certain period of time, for instance, two months for Globe subscribers, after which they have to purchase a new pre-paid card. Otherwise, any remaining/unconsumed balance in airtime will be forfeited or the service deactivated. Subscribers cannot redeem the unconsumed airtime while they are compelled to spend anew to ensure continuous service.

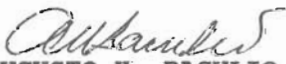
Subscription plans require subscribers to present identification cards, proofs of income, proofs of billing and to pay at least one month advance monthly service fee.

The cellular phone companies are raking in millions of pesos from the hapless subscribers who do not deserve the poor quality of services rendered by these companies. Since the customer is always right and that the customer is king, the cellular phone subscribers should then be accorded due protection, fair and sound services.

Thus the following concerns of the subscribers should be addressed:

1. The Pre-paid Cards expired within two (2) months of first use. Whether or not the subscriber consumes the value of the card it automatically disconnects the service after two (2) months. This is a violation of consumer rights and easy money for the CMTS providers.
2. A drop call, due to whatever problems the CMTS providers reasons out, are still charged to the poor subscribers. Hence, service is not rendered but the CMTS provider earned money.
3. Call charges are at an increment of one (1) minute, thus if a call lasts only for 1 minute and 1 second it is already charged to 2 minutes. Fifty-nine (59) seconds of unused airtime are billed to the poor subscribers.
4. for the protection of the subscribers from lost and stolen cellular phones, the Subscriber Information Module (SIM) Cards of both pre-paid and plan subscribers as well as the cellular phone units itself shall be registered to their respective CTMS provider. Pertinent information about the subscriber, such as name, age, and address should be registered. This would prevent and deter use of stolen cell phones.

In view of the foregoing, the approval of this bill is earnestly sought.


HON. AUGUSTO H. BACULIO
2nd District, Misamis Oriental

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Introduced by: **HON. AUGUSTO H. BACULIO**

AN ACT
PROTECTING THE RIGHTS OF CELLULAR PHONE SUBSCRIBERS

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

SECTION 1. Short Title. - This Act shall be known as the "Cellular Phone Subscriber Protection Act of 2004".

SECTION 2. Declaration of Policy. - It shall be the policy of the state to protect the rights and interest of cellular phone subscribers as mandated under Republic Act No. 7925, otherwise known as the "Public Telecommunications Policy Act of the Philippines" which provides, among others, the right of end-users to entitlement of utility service which is non-discriminatory, reliable and conforming with the minimum standards set by the National Telecommunications Commission.

SECTION 3. Cellular Phone Subscriber Protection Program. - The National Telecommunications Commission, which is hereinafter referred to as the "Commission", is hereby directed and authorized to implement the following measures for the protection of all pre-paid and plan subscribers of all Cellular Mobile Telephone Service (CMTS) operators:

- a. Production, Manufacture and Sale of Prepaid cards.- To regulate the production, manufacture and sale of prepaid cards ensuring its quality and integrity from origin until its sale in the market.
- b. Prepaid Card Expiry. - All prepaid cards shall have an expiry period of one (1) year from date of initial use;
- c. Drop Calls Credit. - A drop call is an unsuccessful call caused by poor network coverage or poor quality of service, where a caller hears a series of rings which is attempting or endeavoring to connect but which abruptly disengage or sever its connection as against the party being called. Drop calls, both in pre-paid and plan subscribers, should be given credit;

- d. Uncompleted Calls. - An uncompleted call is a call that is connected but where both caller and called party is unable to hear each other because of poor network coverage or poor quality service and the parties terminate the call within six (6) seconds. Uncompleted calls shall also be credited to the subscribers;
- e. Billing Increment. - Charging of calls shall be based on a thirty (30) second increment as against the existing one (1) minute increment. The charging of calls not exceeding (30) seconds shall therefore be charged half of the existing charges imposed by CTMS;
- f. Registrations of Pre-Paid Subscribers. - All pre-paid Subscriber Information Module (SIM) card subscribers shall be registered in their respective CTMS providers. Prior to activation, CTMS providers or through their authorized distributors and dealers shall cause the gathering of pertinent data of the subscribers such as, but not limited to their names and addresses, including other pertinent data for record purposes and registration.
- g. Transaction and/or Billing Statements. - Aside from the plan or post-paid subscribers, all pre-paid subscribers shall be provided a billing statement which shall serve as a transaction record for the subscriber. Such transaction statement allows the subscriber to review calls made and validate whether the same are dropped and/or uncompleted calls.
- h. Registration of All Electronic Serial Number (ESN) and Mobile Phone Serial Number. - All new and used cellular phone units, be it used for pre-paid or plan subscription shall, prior to its activation, be registered to their respective CMTS provider using Electronic Serial Number (ESN) and Mobile Phone Serial Number.

SECTION 4. The Subscribers Protection Office (SPO). - There shall be created a Subscribers Protection Office under the existing National Telecommunications Commission which shall undertake necessary measures to protect the interest of subscribers. The Office shall ensure that cellular phone subscribers are protected from unfair practices. It shall look into the details and manner of manufacture and production of cellular pre-paid cards and phone cards. It shall also accept and entertain complaints of subscribers and verify the same. It shall conduct investigations in coordination with existing offices of the national Telecommunications Commission and shall recommend to the Commission the initiation of charges and/or imposition of penalty against CMTS providers if found warranted. It shall perform other functions as mandated by the Commission.

The Commission shall undertake the issuance of the necessary guidelines for the creation of the SPO, its composition and personnel complement.

SECTION 5. Implementing Guidelines. - The Commission shall issue the necessary rules and regulations to effectively implement the provisions of this Act.

SECTION 6. Repealing Clause. - All laws decrees, orders, rules and regulations, ordinances, or any parts thereof, inconsistent herewith are hereby repealed or modified accordingly.

SECTION 7. Separability Clause. - If any part or provision of this Act, shall be held unconstitutional or invalid, other parts or provisions thereof not so affected shall remain in full force and effect.

SECTION 8. Effectivity. - This Act shall take effect thirty (30) days after its publication in at least two (2) newspapers of general circulation.

Approved,